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NEWS SUMMARY

GENERAL

Israel missile rift in U.S.

...TE an attempt yesterday ...fence Secretary Dr. James ...inger to paper over the ... the promise by Dr. Kiss... to consider supplying ... with the Pershing missile ...ed to be the object of ... controversy in Washing...

...Kissinger had reacted ... to statements by ...e officials that the Penta...ad not been informed ... completion of the secret ...um to the Sinai peace ...ent that the Pershing ...volved. But he did not ...specifically to the charge ...e Pentagon was not asked ... views on the Pershing ... the secret memo was

...Schlesinger insists no deci... supply has been made ...d continues to maintain ...he Pershing cannot be ...d out of current U.S. ...and that to reopen pro... lines would take several ... And strategists say it ...no sense as part of Israel's ... if armed only with con...al warheads as Israel and ...singer have asked. Back

...erals still 'at sea'

...gh Mr. Thorpe put a ...ace on things, the Liberal ...bly, which ended on Satur... solved none of the party's ...ns, writes Richard Evans. ...ivisions exposed between ...ddle-class main body and ...dical youngsters were as ...nental as those facing the ...parties and there was a ...lack of a sense of direc... ...he party thus remained at ...ercy of elements outside ...trol. (Page 24.) For the ... the fight for control of ...warmed up at the week... ...ith the launching of the ...Group by its Left, led by ...ter Walker and Mr. Robert

...tugal premier ...apes bomb

...ll bomb, which went off ... hurting anyone, outside ... Premier Admiral de ...o's house early yesterday, ...g Portuguese considerable ... because of fears it may ...been planted by the ...Rightist MDLP, headed ...rmer General Spinola, ...s building up a campaign ... over from the Armed ...Movement. Page 5

...ish arrests

...rrested 57 more alleged ...errorists over the week... ...nd, sentenced another ...separatist to death, but ... execute the 10 people ...under the death penalty, ...se lives appeals continue ...in. Page 5

...des probe

...e men awaiting sentence ...or offences linked with a ... West End homosexual ...ket, pressure was mount... ...closure of amusement ...at the centre of the trade ...g boys. A number of ...ences are due for renewal ...stminister City Council ...ng legal advice on how ... them.

...ted ladies

...vestigation is being ...l at Belle Vue, Manches... ...ain's biggest amusement ..., after 30 women at a ...s convention were taken ...ital with suspected food ...g. A Belle Vue spokes... ...l it was not accepted that ...er the women had there ...ay was to blame. One ...aid that on Saturday the ... suddenly began fainting ...ing off their chairs.

...y death plea

...rents of a 21-year-old ... in a coma for five ... with irreparable brain ... will ask a New Jersey ...day for permission to let ... The case of Karen Ann ... kept alive by a res... could prove a landmark ...he law governing mercy

...le and places

...ers at Market Bosworth, ...rshire, are to take legal ... to stop their council ... £1.75m. on a new ...entre which they call a ...dy and irresponsible" ... a time of economic

...e rugby team will appear ... at outhend after "stag ...elebrations on the beach. ...de holder of number ...59748 won the weekly ...premium bond prize.

...ht singles matches still ... the U.S. team success... ...ched its defence of the ...up against Britain and ... Page 2

BUSINESS

Nominees plan for steel inquiry

● ACAS will suggest nominees in the next two days for the public inquiry into the blast-furnacemen's dispute at the Llanwern steel plant which threatened to halt BSC production last week. Page 7 and Editorial comment, Page 10

● ECONOMIC RECOVERY in the U.K. will not begin until next spring because of delay in dealing with inflation, says the Henley Centre for Forecasting. Page 4

● UNEMPLOYMENT FIGURES adjusted by the Centre for Policy Studies, the Conservative research organisation, show an increase of 188,700 for September. The official figures show a slight decrease. Page 4

● CABINET will decide this week whether to drop two British guided-missile systems and buy cheaper foreign alternatives. Page 24

● INVESTMENT cuts in nationalised industries are likely to hit transport hardest. Meanwhile British Road Federation chairman attacks the increase in rail subsidies. He says in 1975 they will total £459m. Page 4

EEC budget proposals will be cut

● EEC COMMISSION proposals for a £3.4bn. budget are expected to be cut sharply at to-day's Council of Ministers. Germany is expected to call for changes in the unit of account to reduce its contribution. Back Page

● IATA president says Governments will be asked to control jet fuel prices if oil companies pass on any rise imposed by OPEC. Page 5

● MULLARD'S managing director says the British television industry will be dead in a year unless there is immediate action. Page 4

● POLYTECHNIC business "sandwich" course graduates were earning 17 per cent. more on average than their university counterparts after a year's employment, says a PEP report. Page 7

● MACHINE TOOL delegation leaves for the USSR to-day for discussions on technological and commercial co-operation. Page 4

● NIGERIAN LABOURERS are being repatriated from to-day from Equatorial Guinea following complaints of ill-treatment. About 25,000 cocoa workers are involved.

Minimum petrol price demanded

● PETROLEUM Retailers' Association will tell the Government the oil companies are manipulating the market with subsidies. It wants a minimum retail price for petrol. Back Page

● MONEY SUPPLY rose sharply on the wider definition (M3) in the month to mid-August, although on the narrower definition (M1) growth slowed down. The rate of increase remains well below inflation. Page 7

● INDEX-LINKED certificates accounted for £30.4m. of National Savings' £33.6m. net receipts in August. Page 24

● FIRST WARRANT issue in the German foreign bond market is expected to-day with Swiss company Ciba Geigy the borrower. It apparently escapes the current ban on D-mark foreign issues. Page 22

COMPANIES

● BRITISH LEYLAND'S Special Products division will make £8.4m. profit this financial year. A substantial increase is expected in the next. Back Page

● LAIRD GROUP first-half pre-tax profits fell to £3.531m. (£4.283m.). Total dividend recommended for 1975 is 2.39p (2.24p). Page 20 and Lex

● FISONS plans to start marketing proprietary medicines in the U.K. Page 4

Fall in gold forces South Africa into 17.9% devaluation

BY GRAHAM HATTON AND ANTHONY HARRIS

South Africa has devalued the Rand by 17.9 per cent. The move came yesterday in the wake of a rapidly worsening trade position accentuated by the falling gold price. The Rand's external value has been reduced from $1.4 to $1.15—*a much sharper drop than had been predicted.*

The South African Government obviously hopes that this drastic move will head off even more unsavoury domestic problems, notably substantial unemployment that would have hit the black population if the Government had sought to solve its trade difficulties simply by internal measures.

Nevertheless, the devaluation will be accompanied by moves to curb the recent rapid rise in demand both from consumers and industry. Although South African exports have been rising rapidly over the last year or two, the increase in imports has been even more dramatic.

The devaluation against the U.S. dollar takes effect to-day. There is little doubt that the announcement was provoked by the recent wave of speculation against the Rand which sprang up as the price of gold fell on the world markets.

Apart from the precipitate fall in the price of gold, which has come down some 20 per cent. in recent weeks since the announcement that the International Monetary Fund would be selling part of its stock, the South African position has been strained by the rise in the dollar against other currencies.

The Rand is one of the few currencies of a country outside the U.S. economic bloc whose currency is still tied to the dollar, but the Rand devaluation may well lead to a reassessment of the position of other currencies which are managed to move roughly in step with the dollar—notably the Australian dollar.

The South African move has been received very calmly in Whitehall. Although Britain is still South Africa's biggest single trading partner, the market is no longer so important for U.K. exports. A good deal of British trade is in goods which South Africa cannot manufacture locally.

The South African move is not, in any case, a very large one against sterling since the dollar and, with it, the Rand have risen strongly against sterling in recent weeks.

The strongest effect will be on British companies with large investments in the republic.

Because the South African move will restore the profit to the mining industry, it must be a bearish factor for the future price of gold. A number of marginal mines which might have had to curtail their output will now be able to remain on full production profitably.

This means that the fall in the price will not lead to any great fall in newly mined gold, and may therefore increase the pressure on speculative holders to sell their holdings.

Prime reason for South Africa's move obviously is to protect the balance of payments and head off a possible export-led depression.

During the first half of 1975, the current deficit on the balance of payment was running at an annual rate equivalent to £1.1bn., representing over 7 per cent. of GNP. The recent collapse of the bullion price will have pushed the figure to nearly 10 per cent. of GNP.

Pretoria plans to curb growth in local spending by introducing a policy of voluntary wage restraint, keeping a tighter grip on bank credits and the money supply, and reducing growth of Government spending, which has recently caused total national expenditure to out-strip national income.

However, by sharply devaluing, it should no longer be necessary also to introduce anti-consumer spending measures such as higher taxes. The Government has already set its face against tighter import con-

Continued on Back Page

SOUTH AFRICAN FOREIGN TRADE

	1963	1973	1974
Total imports	R1.2bn.	R3.3bn.	R4.9bn.
Imports from U.K.	R361.4m.	R629.9m.	R910m.
(percentage of total)	(29.8)	(19.2)	(18.5)
Total exports	R990.0m.	R2.4bn.	R3.4bn.
Exports to U.K.	R321.1m.	R697.4m.	R753m.
(percentage of total)	(32.4)	(28.8)	(22.5)

Atom workers observe £6 limit

By John Wyles, Labour Reporter

SOME 4,000 atomic industry workers have become the first large group of public sector employees to settle their annual pay deal within the Government's £6 anti-inflation wage rise limit.

This agreement sets the pace for 1m. local authority manual workers whose pay negotiations open this Friday, with the unions insisting that they will not accept a penny less than the full £6.

With the clampdown already on local authority spending over the next year, it will be up to the Government, through its rate support grant, to decide whether there is a £6 deal or a confrontation.

The U.K. Atomic Energy Authority and union negotiators had agreed on an interpretation of the anti-inflation guidelines which limits the rises payable under a new annual deal from October 1 to a maximum £5.20 a week.

Breakdown

This reading of the policy takes into account an 80p a week threshold rise which was paid to UKAEA employees after the start of the £6 policy on August 1, and the offsetting was not seriously challenged by the unions.

This smooth progress towards an agreement contrasts with the situation at British Nuclear Fuels, employing another 5,000 atom workers, where a row over the meaning of the pay guidelines has led to a breakdown in negotiations.

Union negotiators are expected to ask for a TUC judgment as to whether a £2.60 a week rise, buying out anticipated threshold rises and agreed before the start of the new pay policy, should be offset against the £6 limit. The employers, who are a subsidiary of the Energy Authority, claim that this must be the case and have offered £3.40 a week rises from October after taking guidance from the Government.

At the moment, none of the unions involved appears to be seeking a confrontation over the issue, including the Amalgamated Union of Engineering Workers, which was also a party to the Atomic Energy pay deal despite its official opposition to the £6 limit

£ in New York

—	Sept. 19	Previous
Spot	$2.0800-0805	$2.0820-0830
1 month	0.60-0.55 dis	0.65-0.55 dis
3 months	1.72-1.67 dis	1.75-1.65 dis
12 months	6.10-6.00 dis	6.20-6.00 dis

Standardisation in NATO

Schlesinger in arms deals talks

BY MALCOLM RUTHERFORD

DR. JAMES SCHLESINGER, the U.S. Secretary of Defence, will have talks in Europe in the next few days on the increasingly *urgent subject of arms standardisation in NATO.*

His visit comes only a few weeks before the ten-nation Eurogroup is due to hold a special meeting in The Hague to discuss specific proposals to put to the Americans.

Dr. Schlesinger will have discussions in London, Bonn and, significantly, Paris. The French are not members of the Eurogroup and have so far resisted all invitations to join. There have been signs recently, however, of a change of view both on the part of the French and of their European allies.

The inherent dangers in French isolation from the Eurogroup became fully apparent earlier this year when the French aerospace industry failed to win any of the European orders for the successor to the Starfighter in the so-called arms deal of the century. Four European countries, including Belgium, chose instead to buy American.

It was pointed out at the time that not only had French industry lost a major order, but that the order could well have stayed in Europe if there had been a more united European approach to arms procurement.

Guidelines

The Starfighter decision coincided with efforts within the Eurogroup to set guidelines for co-operation both within the Eurogroup itself and between the Eurogroup and the U.S. The aim is partly to save money by introducing more standardised equipment, and partly to establish a two-way business in arms purchases between Europe and the U.S.

The dialogue between the Eurogroup and Dr. Schlesinger on this subject has been going on for more than a year, but while the Americans have fully supported the aim of standardisation—and are indeed obliged *to do so by resolutions of their* own Congress—they have been much less forthcoming on the commitment to the two-way business.

Assurance

Essentially, what the Eurogroup wants is a firm assurance that the U.S. will buy arms in Europe in return for the Eurogroup buying American. Dr. Schlesinger, however, has made it clear that he regards a number of European projects—such as the Anglo-German-Italian multi-role combat aircraft (MRCA) as expensive white elephants and has shown a marked preference for all big projects being U.S.-led.

In the last resort this would reduce Europe to the role of a small arms producer and destroy the defence technology base which the Eurogroup is trying to preserve.

At the last Eurogroup meeting in London in May it was agreed to hold a special session in The Hague in the autumn in order to agree on specific proposals to put to Dr. Schlesinger before the end of the year. The date of the Hague meeting has already slipped somewhat as informal consultations have continued.

Meanwhile there has been a good deal of quiet diplomacy exploring how it might be possible to associate the French with Eurogroup aims. For internal political reasons the idea of French membership of the group under its existing title is ruled out.

In the last days of President Pompidou, however, the French themselves floated the idea of co-operation through a reinvigorated West European Union (WEU) and more recently there has been talk of co-operation through the European Community.

UDA backs Craig plan for emergency talks

BY GILES MERRITT

THE ULSTER Defence Association, most powerful of the Loyalists' paramilitary "private armies," has attacked the Unionist coalition's leadership for its rejection of further talks on an emergency power-sharing *Government.*

Its stand suggests it will forcefully back renewed efforts to lobby the Unionist rank-and-file on the initiative before the Convention meets again on September 30.

At the same time, it appears increasingly likely, despite most predictions to the contrary, that the 78-seat constitutional Convention could run until at least the end of October and possibly into the New Year.

In its week-end attack, the UDA singled out the Rev. Ian Paisley, Democratic Unionist leader and Mr. Harry West, who is head not only of the official Unionists, but also of the three-party United Ulster Unionists Coalition, and charged:

"Because of them, there will be no talks on a political settlement, so we are going to end up fighting."

Mr. Andy Tyrie, self-styled "C-in-C" of the UDA and its claimed 50,000 active members, claimed that both Mr. Paisley and Mr. West would thus "be to blame for all future violent deaths in the Province."

Mr. Tyrie's open support for Vanguard Party chief Mr. William Craig and his emergency pact, even though it would involve allocating a number of *Cabinet jobs to members of the* mainly Catholic Social Democratic and Labour Party, apparently bears out earlier reports that the UDA is preparing to mount a Province-wide campaign to push the UUUC into fresh discussion of the idea.

The UDA position certainly underlines the growing belief that Mr. Craig's humiliating second defeat of the issue by the bulk of his UUUC colleagues last Thursday, was only a battle lost and not the war.

Although Mr. Craig is expected to put pressure on UUUC Convention members to reopen the emergency pact question—particularly those waverers inside Mr. Harry West's Official Unionist Party—he will nevertheless have to tread warily.

Mr. West *has now made* it clear that any attempt by Mr. Craig to interfere with the UUUC's forthcoming report in the Convention outlining its views on devolved government would mean his departure from the UUUC.

Ulster's political parties are due to submit their proposals to the Convention's chairman, Sir Robert Lowry, during the week.

The proposals will then be distributed for members to study before reconvening a week later to debate them. The UUUC *report is expected flatly to* reject any form of power-sharing.

While Mr. Craig has already indicated he is resigning his position as deputy leader of the Unionist Coalition, Mr. West has now emphasised that his "dissent" from the UUUC document would be "unacceptable" and he could not remain in the Coalition in any capacity.

With the Unionists still far from united on devolved Government, there are at least some indications that a growing number of Ulster politicians are seeking to save the Convention itself from imminent breakdown.

Both Mr. Hume and Mr. West indicated at the week-end that the Convention would probably not be wound up until the end of next month.

There is also considerable speculation that Westminster will refuse to accept a Convention report in which the Loyalists majority defies its guidelines on power-sharing and will therefore demand that the Northern Ireland Assembly "think again."

Scottish Daily News cash plea

BY CHRIS BAUR, SCOTTISH CORRESPONDENT, IN EDINBURGH

THE SCOTTISH OFFICE may be asked by the four-month-old Scottish Daily News for urgent help in arranging a substantial new cash injection to support the enterprise which is losing an estimated £20,000 a week.

Last week two meetings were held to discuss the financial position of the company, launched as a workers' co-operative but now effectively run by Mr. Robert Maxwell, Pergammon Press publisher. The first was with Mr. Bruce Millan, Scottish Office Minister of State, and the other with a senior civil servant in the Scottish Office.

Printing industry unions with members in the Glasgow co-operative understand that a number of fund-raising proposals are being examined. One is that the Government, which loaned £1.2m. to launch the paper in May, should consider relinquishing part of its security on the Albion Street plant and premises.

This, it is said, could then be used as collateral in an attempt to find £200,000 from normal commercial sources. Such an arrangement would affect the Government's position as a secured-creditor if the enterprise failed, but would not involve it directly in allocating new public funds, which it has already ruled out.

Its original loan was made against the advice of Department of Industry assessors who saw no prospect of viability.

The Government's dilemma is that it is concerned about maintaining the jobs of 500 former Beaverbrook workers in Scotland, but at the same time it has serious reservations about the fundamental change in character of the project from an experimental co-operative to an enterprise which has come under the increasingly vigorous personal control of Mr. Maxwell, who has a £114,000 stake in it.

This route to new finance was one of the suggestions in an appraisal of the company's trading position presented to its executive council over a week ago. The report was by Mr. William Wolfe, a chartered accountant and chairman of the Scottish National Party, who as an investor's representative was temporarily filling the post of company secretary.

Mr. Wolfe's report made it plain that substantial new funds were vital to prolong the life of the enterprise.

It did not calculate the amount required but illustrated the acute nature of the paper's situation by estimating the value of the company's assets if it went into liquidation.

It was this report which forced the resignation last week of Mr. Wolfe from the post of company secretary and that of two worker-directors including, Mr. Allister Mackie, chairman of the co-operative.

The workers have since agreed to contribute one-and-a-half weeks' pay for future investment with a sum equivalent to a further 50 per cent. or £25,000 being offered by Mr. Maxwell. There is some confusion among workers, however, about whether this is to be regarded as voluntary or obligatory.

The paper has also become involved in a new row with the Beaverbrook Group which has a £725,000 stake in the co-operative through secured and unsecured loans. Beaverbrook has just taken legal action to freeze sums up to £59,680 in the Scottish Daily News bank account.

This comprises a VAT refund from the Government which Beaverbrook claims the Scottish Daily News is due to pay for the Albion Street plant. Mr. Maxwell disputes the claim and says that Beaverbrook is trying to make it impossible for his paper to operate.

Fleet Street's crisis, Page 10

ON OTHER PAGES

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LOMBARD

Helping the poor by penny numbers

BY C. GORDON TETHER

EVERY little helps of course. And the series of steps that have been taken during the past few weeks to increase the flow of money to the world's poor by penny numbers are clearly welcome in themselves.

The trouble is that there is an obvious tendency for the rich countries to regard them as a substitute for an enlargement of the flow of direct assistance from their own purses—assistance that many developing countries are manifestly going to need to extricate themselves from the deepening payments crisis into which they have been plunged by the oil prices explosion. And, in the light of the mounting evidence that not a few of them are heading for bankruptcy, this is a serious matter for the entire world.

In addition to the deal on gold that could create a fund of some $2.5bn. from the sale of IMF stocks of metal for the relief of poor countries, there have been two developments during the past month that will channel more money in their direction through different routes.

One takes the form of the long-awaited opening of the World Bank's so-called "Third Window." This is a new financing facility that will provide assistance to the more impecunious of developing countries on terms "intermediate between those of standard World Bank loans and the highly concessional loans of its affiliate, the International Development Association." The scheme has initially been approved for one year and in that period is expected to generate financing of the order of $500m. to $1bn. for suitable projects.

Small beer

The other new channel has been created by the IMF's decision to set up a subsidy account to help countries "most seriously affected" by the current world crisis to meet the cost of using resources made available by the Fund's oil facility. So many of these countries have been so enfeebled by the blows they have suffered in the external payments field during the past year or two that they are in no position to shoulder the cost of such assistance. This new arrangement is intended to help surmount this problem and so enable them to make full use of the oil facility.

Useful though these new forms of aid may be, however, they are very small beer when set against the poor countries' mounting need—pointed up so graphically by the OECD's recent estimate that the current account deficit of non-oil producing developing countries is likely to come out at some $30bn. in 1975, with little hope of any significant improvement in 1976.

And the point should be made here that there is a set-off to the advantages the poor countries derive from recent developments in the sense that the new agreement on the future of gold's monetary role has almost certainly put paid to their hopes of seeing a new source of external aid created through a link between development financing and the distribution of additional international liquidity in SDR form. It now looks as though there is going to be no call for new SDR releases for a very long time to come.

The comparative success with which the poor countries have coped with the backwash of the oil prices explosion to date may give a false impression about their ability to go on doing so. It so happens that many of them devoted the proceeds of the favourable turn they experienced in their external payment fortunes in the early 1970s to reinforcing their reserves. And this has provided them with a means of covering a sizeable part of their phenomenal new deficits without outside help.

'Resistance'

But, as the IMF has pointed out, that cushion will have very largely melted away before 1976 is far advanced. The worrying prospect this presents is heightened by the fact that, in many cases, commitments to repay maturing foreign debt are now assuming such large proportions that they are absorbing as much as a half—sometimes even more—of the new help coming from abroad.

In these circumstances, it was saddening to find the affluent countries "resisting,"—at the recent UN talks on relations between rich and poor worlds, the new call upon them to raise their official aid flows to the Second Development Decade target of 0.7 per cent. of gross national products—at present few of them are reaching half that figure.

It is cold comfort to say that they may find themselves having to pay a high price for this callous attitude in the end—and it has to be remembered that, for most of them, the damage inflicted by the oil price rise is proving much more manageable than had been expected.

Yet this is the reality. For if—as now seems distinctly possible—the worst afflicted developing countries are finally left with no alternative but to declare a moratorium on foreign indebtedness, the effect could be to render the international monetary situation even more explosive than it is already.

THE WEEK IN THE COURTS

More problems raised than answered on sterilisation

BY JUSTINIAN

"THREE GENERATIONS of imbeciles are enough": With those epigrammatic and seemingly incompassionate words Mr. Justice Holmes of the U.S. Supreme Court in 1927 upheld as constitutional a law of the State of Virginia which required the sterilisation of a feeble-minded daughter of a feeble-minded mother who had already produced one illegitimate and feeble-minded child.

The judgment on Wednesday of Mrs. Justice Heilbron in RE "D" (a minor)* stopping the proposed sterilisation, with the mother's consent, of a mentally retarded girl, aged 11, was both wise and compassionate. It cannot be regarded, however, as anything approaching even the last judicial word on a subject that will provoke a continuing debate.

The whole topic of man's right to control his own fertility, and the State's right in certain circumstances to intervene to prevent reproduction, has only just begun. It is true that Mrs. Justice Heilbron ringingly proclaimed one of the basic civil rights of man: that marriage and procreation are fundamental to the very existence and survival of the human race. And that an operation of sterilisation "if performed on a woman for non-therapeutic reasons and without her consent, would be a violation of such right."

A reminder

But on the evidence in that case the child's mental and physical condition was not such that the operation could be justified. Her improvement in mental health over recent years indicated that when she reached the age of consent she might well be able to make the choice for herself. To pre-empt that choice, where the child might experience frustration and resentment that it had been made before she could decide for herself, might be psychologically devastating.

The judge, therefore, was not saying that, if evidence compellingly indicated therapeutic (or even eugenic) grounds for sterilising, the court would still stop the operation being performed. The argument about the rights and wrongs of non-consensual sterilisation is thus not much advanced by the decision. But at least the case does provide a salutary reminder that the medical profession can never be the sole arbiters of decisions that fundamentally affect the rights of individuals. And that the courts retain a controlling power over all professional people claiming to know what is best for the rest of us.

Doctors may have little hesitation in recommending sterilisation in the case of feeble-mindedness, although where the condition is environmental in origin there is less need to interfere, since the hope for improvement is greater. But recommendations to sterilise have a social as well as a biological basis; some severely mentally handicapped people can only care for themselves under the most favourable circumstances, and a family of children may prove an overwhelming burden to them and to others. Judgments about their social viability can, however, never be made exclusively by one professional person's opinion.

Eugenic plans

However, there are instances where the State itself may intervene and declare that certain persons should lose the ability to procreate. The law in England has not yet made any move towards any kind of sanction for sterilisation without the individual's consent. In the case of a dependent, a child or a mental patient, last week's decision does suggest that consent may properly be given by the parent or guardian, subject of course to court approval if the decision to sterilise is opposed. But other systems of law have nibbled at the problem of State intervention.

One is not concerned here with the acts of mass sterilisation carried out, for example, by the Nazi regime. A plan to sterilise large numbers in pursuit of eugenic plan to eliminate a race is universally condemned. But what about a law which says that an habitual criminal or a sex offender should forfeit his right to procreate?

The State of Oklahome once passed a law saying that anyone convicted two or more times of very serious crimes may at the instance of the State Attorney-General be rendered sexually sterile. The Supreme Court struck down that law, mainly on the grounds that to eliminate characteristics that are only vaguely identified and are uncertain as to transmissibility violated the basic right to procreate.

In the case of the imbecile the Court was able to say that there were definite and observable characteristics in the imbecile, where the condition had persisted through three generations and afforded grounds for believing that the condition was transmissible, that justified sterilisation.

If there are very stringent limits to which a law may impose its will against the reproductive powers of the individual, are those who have been guilty of sexual crimes immune? Some sex offenders may be safely released from custody only if they subject themselves to an operation that will reduce the risk of, if not eliminate, the possibility of further similar offences. If such offenders are willing to secure their liberty on the condition of such an operation, should the State countenance such a bargain where the offender's consent is induced by the fear that unless sterilised he will remain locked away?

Public debate

These are ticklish problems that deserve public debate. As yet they have been discussed only in limitd circles. For years now penal administrators have talked about sterilisation for prisoners who commit only sex offences. In the Scandinavian countries some experimentation has taken place but the results have been very inconclusive. There is not yet much evidence that sexual crimes can be avoided by sterilisation or by sexually-dampening drugs. But the time may come when some such drug is discovered. Then the issue of non-consensual sterlisation will be a live one.

**The Times Law Report, September 17, 1975.*

Young solicitors call for end of stamp duty

STAMP DUTY should be abolished, urges the London Young Solicitors' Group of the Law Society.

In a memorandum, "One Tax Too Many," published to-day the group says stamp duty has outlived its original purpose as a primary source of Government revenue. Now, it is often one of two or three different taxes dealt with by completely different branches of the Inland Revenue.

It is also socially undesirable for the owner-occupier to be penalised for buying his own home, the group argues.

The memorandum has been sent to the Treasury, the Board of Inland Revenue and the three main political parties.

It urges that if abolition of stamp duty is not politically acceptable, transactions involving the sale of land up to the value of £25,000 should be exempt from duty, as should transfers of property between husbands and wives.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.25 p.m. Doubts and Certainties. 12.55 News. 1.00 Pebble Mill. 1.45 Andy Pandy. 2.01 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 Astronut. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.20 Here Come the Double Deckers.
5.40 The Wombles.
5.45 News.
6.00 Nationwide.
6.50 The Goodies.
7.20 Angels.
8.10 Panorama.
9.00 News.
9.25 The Monday Film: "They Shoot Horses Don't They?" starring Jane Fonda and Michael Sarrazin.
11.20 Tonight and every weeknight.
11.55 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—1.45-2.00 p.m. Pili Pala. 2.18-2.38 For Schools in Wales. 6.00-6.50 Wales Today. 6.50-7.20 Heddiw. 11.20-11.55 Kane on Monday. 11.55 News and Weather for Wales.

Scotland—11.00-11.20 a.m. For Schools in Scotland. 6.00-6.50 p.m. Reporting Scotland. 11.20 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.55 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

7.05 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.30 Newsday.
8.10 The Waltons.
9.00 "Madame Bovary," by Gustave Flaubert.
9.55 Chronicle.
10.45 Diversions.
11.20 Newsnight.
11.35 Closedown. John Westbrook reads "The Play Way," by Seamus Heaney.

LONDON

9.30 a.m. Schools Programmes. 12.00 Noddy. 12.10 p.m. Pipkins. 12.30 Gambit. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 There Goes That Song Again. 2.00 Good Afternoon. 2.30 "Fireball Forward," starring Ben Gazzara. 4.15 Cartoon. 4.25 Clapperboard. 4.55 Hogg's Back. 5.20 And Mother Makes Five.
5.50 News from ITN.
6.00 To-day.
6.45 Bentine.
7.30 Coronation Street.
8.00 My Son Reuben.
8.30 World in Action.
9.00 The Sweeney.
10.00 News.
10.30 Seven Ages of Fashion.
11.00 The Streets of San Francisco.
11.55 Frankincense and Myrrh.

All ITV regions as London except at the following times:

ANGLIA

12.30 p.m. Out of Town. 1.25 Anglia News. 2.00 Houseparty. 2.30 Monday Afternoon Film: "The Purple Plain." starring Gregory Peck. 4.25 The Romper Room. 6.00 About Anglia. 10.30 The Brian Connell Interviews—John Denison, director of the South Bank Concert Halls. 11.00 Police Surgeon.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 1.30 Quick on the Draw. 2.30 "You Came Along," starring Robert Cummings and Lizabeth Scott. 5.20 Around The World in 80 Days. 6.00 ATV Today. 10.30 Platform for Today. 11.05 The Collaborators.

BORDER

†1.20 p.m. Border News. 2.00 Housecall. †2.30 Monday Matinee: "The Astonished Heart," starring Noel Coward, Celia Johnson and Margaret Leighton. 4.12 Cartoon Time. 6.00 Border News and Lookaround. 6.15 Chopper One. 10.30 For Adults Only: "The Best House in London," starring David Hemmings. †12.15 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's on Where. 2.00 Preludes. 2.30 The Monday Matinee: "The Power and the Prize." 6.00 Channel News. 6.10 Vision USA. 10.30 A Place in Europe—A Future For Our Past. 11.30 News and Weather in French, followed by Channel Gazette.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Flair. 2.30 Monday Matinee: "Tempest" starring Van Heflin. 6.00 Grampian Today. 6.15 Hanna—Barbara Cartoon Specials. 10.30 The Scottish Soldier. 11.00 Orson Welles Great Mysteries. 11.30 Evening Prayers.

GRANADA

1.20 p.m. This is Your Right. 2.30 Monday Matinee: "The Running Man". 5.20 Supersonic. 6.00 Granada Reports. 10.00 News at Ten. 10.30 Sounding Brass. 11.00 Command Performance: Burke's Law. 11.55 The Nature of Things.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Housecall. 2.30 The Monday Matinee: "Hot Millions" starring Peter Ustinov and Maggie Smith. 5.20 And Mother Makes Five. 6.01 Report West. 6.22 Report Wales. 10.30 The Monday Film: "Port Afrique" starring Pier Angeli.

HTV CYMRU/WALES—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 2.00-2.30 Hamdden. 6.01-6.22 Y Dydd. 8.30-9.00 Yr Wythnos.

HTV WEST—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.22-6.45 Report West.

SCOTTISH

1.20 p.m. Road and Weather Report. 2.00 Housecall. †2.30 Monday Matinee: "Eight On The Run" starring Bob Hope. 6.00 Scotland Today. 6.30 Crimedesk. 10.30 Late Call. 10.35 The Lion's Share. 11.05 A Scottish Soldier.

SOUTHERN

1.20 p.m. Southern News and Weather. 2.00 Houseparty. 2.30 The Brandon Exchange. 3.25 The Persuaders. 5.20 Hogan's Heroes. 6.0 Day by Day. 10.30 Barnaby Jones. 11.30 Southern News Extra. 11.40 Guideline. 11.45 Farm Progress.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Housecall. 2.30 Monday Matinee: "Three Came Home" starring Claudette Colbert. 3.30 The Saint. 5.20 Chopper One. 6.00 Today at Six. 6.35 Police Call. 10.30 Barnaby Jones. 11.25 Late News Extra. 11.40 The Lord of Love and Laughter.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Women Only. 2.30 Monday Matinee: "Mysterious Island" starring Michael Craig and Joan Greenwood. 4.23 Ulster News Headlines. 5.20 Inner Space. 6.00 UTV Reports. 10.30 Monday Night with the Very Rev. Dr. A. A. Fulton. 10.40 Spectrum. 11.10 Orson Welles Great Mysteries.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.00 Preludes. †2.30 The Monday Matinee: "The Power And The Prize" starring Robert Taylor. 6.00 Westward Diary. 6.28 Sports Desk. 10.30 A Place in Europe—A Future For Our Past. 11.30 Westward Late News. 11.35 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.30 Monday Matinee: "Stop the World—I Want to Get Off" starring Tony Tanner and Millicent Martin. 4.20 Cartoon Time. 5.20 Chopper One. 6.00 Calendar. †10.30 "Women's Prison" starring Ida Lupino and Howard Duff.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Paul Burnett. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 John Peel with Top Gear. 7.00-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.58 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1500m only (also 202m Scotland) 2.45, 3.45, 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Free Spin. 7.30 Alan Dell: The Dance Band Days. 8.02 The Big Band Sound (S). 9.02 Humphrey Lyttelton with The Best of Jazz on records (S). 10.02 Sports Desk. 10.05 John Dunn (S) with Music Through Midnight and 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

†Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Delius (S). 9.50 Organ and Harpsichord recital (S). 10.30 Nielsen (S). 11.30 Chopin and Brahms piano recital. 12.10 p.m. Midday Concert, part 1: Tchaikovsky (S). 1.00 News. 1.05 Concert, part 2: Franck, Liszt (S). 1.40 Elgar, Geoffrey Bush concert (S). 2.15 Vesuvius Ensemble (S). 3.30 Lieder Recital. 4.15 London Organ Week (S). 5.15 Bandstand (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Study on 3. 7.30 "Cavalleria Rusticana," opera in one act, music by Mascagni (S). 8.45 An Earthly Paradise. 9.05 "Pagliacci" opera in two acts, music by Leoncavallo (S). 10.25 Music of the Ancient Maya (talk). 10.55 Jazz in Britain (S). 11.25 News.

Radio 3 VHF only—5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Week. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News, 6.55 Weather and programme news. 7.00 News and more of Today including 7.27 Sportsdesk, 7.35 Today's Papers, 7.45 Thought for the Day, 7.50 VHF Regional News, 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 The Wit and Wisdom of . . . Dylan Thomas. 9.00 News. 9.05 Start The Week with Richard Baker. 10.00 News. †10.05 Wildlife. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Down Your Way. †11.50 Announcements. 12.00 News. 12.02 p.m. You and Yours. 12.27 Desert Island Discs. †12.55 Weather, programme news VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (†from 2.00) including 2.00-2.02 News. †2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Fair Deal. 6.45 The Archers. 7.00 News Desk. 7.30 Frank Muir Goes Into . . . Television. 8.00 The Monday Play: "Face in a Glass" (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools: VHF only—10.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.03 Downtown. 11.03 In Town. 12.03 p.m. Call In. 12.45 London News Desk. 2.03 206 Showcase. 4.03 You Don't Have To Be Jewish. 4.32 Home Run. 5.00 and 6.00 London News Desk.) 7.00 In Town. 8.00 Close Up. 8.30 Breakthrough. 10.03 Robbie Vincent's Late Night London. 12.00-12.33 a.m. As Radio 2.

London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "AM": breakfast-time show, with interviews, traffic and travel service, plus sport. 10.00 George Gale—talking to London. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00 Love in London. 1.00-5.30 a.m. Nightwatch—news every half hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It: Nicky Horne's rock show. 11.00 Tony Myatt and his late-night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,886

ACROSS

1 Accountant receives thanks and put a pound inside the boy's projector (8)
5 Like the rowan-berry produced so right by bachelor in charge (6)
10 Clumsy bird we hear goes to part of hospital (7)
11 Placing in the environment (7)
12 Solo performance with madam on or changing (9)
13 Boy indicating message is received and understood (5)
14 Receives article to suspend round well and understands (4, 3, 4, 2, 2)
16 Has one's say and talks on Eastern spice including end of clove (6, 4, 5)
19 Eliminate some of number as expected (5)
20 Cut more ancient source of fuel (3-6)
23 Omitted one side not at home (4, 3)
24 A repairer—like the editor? (7)
25 Refine unusual fare in railway (6)
26 Gamble with Ray a pound—it's treachery (8)

DOWN

1 Church member has attractiveness (5)
2 Getting the blame and accepting the blow on account of it (6, 3, 3, 3)
3 Put dial this way for applause (7)
4 Girl appearing in daily diary (5)
6 Be more boastful away from home going to card game (7)
7 Taking umbrage in respect of person not on, finished and past (5, 8, 2)
8 Take care—get it mixed for a smoke (9)
9 Slip out without notice in mischievous adventure (8)
14 Go with charm to Her Majesty and a preacher (9)
15 Extend the Spanish on entrance (8)
17 Hold at bay and hinder the attack (4, 3)
18 One in jetty is a forerunner (7)
21 Walk from the south in open region . . . (5)
22 . . . of river and mountain range in the country (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

هكذا من الأصل

GOLF — **BY BEN WRIG**

U.K.'s crumbs of comfo

LIGONIER, Pennsylvania, Sept.

THE PROTRACTED and humiliating death throes of the Great Britain and Ireland Ryder Cup team were mercifully ended soon after midday here at Laurel Valley Golf Club, when the defending U.S. team won its fourth morning single to clinch the match. At lunchtime, with eight meaningless singles still to play, the winners had accumulated 17½ points to the challengers' 6½.

The only crumbs of comfort that could be gleaned from the gloomy proceedings were that Peter Oosterhuis won a marvellous victory against Johnny Miller by two holes, and big Brian Barnes beat a decidedly out-of-sorts Jack Nicklaus by 4 and 2. Bernard Gallacher and Tommy Horton halved their matches with Lee Trevino and Hale Irwin respectively.

But in the top match Tony Jacklin, having apparently taken command of his match against portly Bob Murphy by going one up at the par 3 14th hole with a birdie 2 from 14 feet, hit three terrible tee-shots at the next three holes, to lose each of them, and the match, by 2 and 1.

In the fifth match Brian Huggett was heading for a score in the high 70s when mercifully put away by Gene Littler by 4 and 2. Eamonn Darcy was always struggling, and eventually failed to contain Billy Casper, who beat him by 3 and 2. In the seventh match little Guy Hunt was in no way disgraced at one under par when he was ruthlessly swept aside by the magnificent Tom Weiskopf by 5 and 3, the undefeated American being no less than six under par for the distance.

But back to the crumbs of comfort. In the second match Oosterhuis was two down after 11 holes and looked likely to go three down at the 12th when Miller hit his second shot four feet from the hole. But our man holed from 50 feet and the American missed, and sti the match swung in a dramatic manner in fav the tall Englishman.

He holed from 30 feet birdie on the 13th gree Miller followed him in fe feet for a half.

The short 14th hole was in par figures, and then buis took the 15th wi fourth consecutive three to a 20-foot putt. A g five-iron shot 10 feet fr 16th hole gave Oosterhuis up lead when he rolled putt.

The short 17th hol halved in three—Oost sixth three on the trot—a man clinched the match last with a wonderful dri two-iron shot that never stick on its way to the h the green. Miller drove far to the right, could not in two round the trees elbow of the right-angle to the right, and bowed th

SOCCER — **BY TREVOR BAIL**

Everton throw away a point

ARSENAL'S 2—2 draw at Highbury on Saturday owed rather more to the tactical stupidity of Everton than to their own efforts.

At half-time, the visitors appeared to have the game as good as won. They established their two-goal lead and were unlucky not to have another.

In the second half the Northerners, instead of busily seeking more goals, started to sit back. When Kidd reduced the arrears with a well-struck free kick, they made the elementary blunder of trying to keep possession of the ball at all costs.

This not only irritated the crowd but provided Arsenal with even more incentive.

The outcome was that young Stapleton stabbed the ball home from close in after Kelly's shot had struck the post. Everton should have kicked themselves all the way back to Liverpool for throwing away a point, which was their's for the taking.

Passing back and forth across the field and hugging the touchline simply to deny the ball to the opposition sometimes works. But it often has the reverse effect.

If you are the better side, as Everton were, it is better to put the result beyond doubt, by striving to go further ahead.

Arsenal did not look anything more than a lower, middle-half-of-the-table side. One feels that they are still seeking a pattern to replace the one with which they achieved the double, and have yet to find the mixture.

Although there was ent and hard running some passing and ball control tinctly erratic.

On the evidence of the half display, Everton prove serious championsl tenders. They are sha clever upfront, inventive field, even without Cleme came on as a late substit strong at the back.

They have the balance physique to see them th long arduous campaign b cannot afford to squande as they did on Saturday.

As yet, they probably fully appreciate their ow tial. When they do, the be a force to be reckon

RUGBY — **BY PETER ROBB**

England's quiet tactician

CERTAINLY the least-envied job in rugby this season is that which Peter Colston has taken on in succession to John Burgess as England's coach. That said, Colston has nothing to lose and everything to gain, and a lot of work has been done in the past few years to give England at least an equal share of the spoils this season.

Along with the great Ken Scotland, Colston, as a player, was years ahead of his time with his intelligent running from full-back. He admits that the great influences on his tactical thinking were John Blake and, extraordinarily enough, a second-row forward, Bert Macdonald.

I talked at length with Colston recently. Typically, for he is quiet but articulate, he sees his role as advisory.

Colston says he is determined that the players will be allowed and encouraged to think for themselves. Secondly, his role is that of organiser and presenter of tactical options based on the two sides' strength. The captain (I hope we continue with Neary) has to read the game and make his own judgment.

We discussed the qualities that make an international player, and he drew a clear distinction between skill and ability. A player, however technically skilful, must demonstrate that skill under pressure to prove real ability. So the players must not only have self-confidence but also trust the man alongside.

A rugby team is a series of interlocking devices and inability in one department or position can be the difference between success or failure. I sensed that Colston is looking for the player's player, and it is true that players can usually pick a better team than any selector.

Panic measures

I hope very much that England will avoid the panic measures taken after the Irish game last year, which were both futile and harmful.

One of the problems the coach faces is that of motivation. I happen to believe that playing for one's country is s but perhaps with win important (and for Eng unusual) much more st crept into the game, will probably make rational than emotional to the players.

Already, the new coach watching, screening ar talking to those players capped.

Colston is not afraid task. He respects the others, and, in a touchi worries that his non-inter status is a drawback. say that it is the rever If he can imbue the players with that sense fidence he has already b to the administration, E fortunes could change d ally.

● Wales trounced Japan at Osaka in the first of tw The tourists led 26—9 time. Wales, with a big advantage in the scrums, too strong for the nimble ese, particularly afte interval.

TENNIS — **BY JOHN BARR**

Surrey women beat Devon 6-

THE WOMEN of Surrey and the men of Essex, the holders, yesterday carried off the inter-county hard court singles competitions at the West Hants LTC in Bournemouth.

Surrey, who last won this title in 1972, notched up their 25th victory in all by scoring a decisive 6—3 victory over the holders, Devon. Young Linda Mottram, who was forced by injury to miss the recent Wightman Cup match, led the Surrey challenge and in the absence of Devon's leader—Sue Barker, who was part of the Wightman Cup success—she won the top singles against a promoted Annette Coe, 6—1, 8—6, to confirm her season's advance.

Next month Miss Mottram will team up with Miss Barker and the newly-crowned junior champion, Michelle Tyler of Kent, to challenge the best of the young American girls in the Maureen Connolly Memorial match at the Palace Hotel, Torquay. Having won every international age group competition open to them this year, British women's tennis has enjoyed a remarkable season of success.

However, this next match will be the severest test of all for the youngsters, as the Americans will include their reigning U.S. junior champion, Beth Norton, who so impressed earlier this month at Forest Hills, Ann Kiyomura, who beat Virginia Wade there last year, and Jeanne Evert, younger sister of Chris Evert.

The Essex men—even without Davis Cup players John Lloyd and Graham Stilwell, as well as Stephen Warboys—were too consistent in depth for Yorkshire, who could win only three of the 12 singles matches. Yo themselves are unable the to call upon the servi Roger Taylor or John Cli that John Howarth, norr middle-order man, found confronting the Essex David Lloyd, in the top

The Essex No. 2, Drysdale, looked impres he beat Howarth and J Webb for the loss of only games. This was a fourth in the contest for Essex, w previously won in 1966, 1974.

As the international marches firmly down the commercialism, it is all th important to the health national game that these county contests — sti thoroughly amateur in spi in fact—are nurtured. therefore, the LTA should greater efforts to promote matches.

RACING — **BY DOMINIC WIG**

Floral Royal looks best bet

JOLLY GOOD, racing on the yielding ground which suits him best, for the first time since running away with York's Magnet Cup in July, proved a worthy winner of Saturday's £5,000 Peter Hastings Stakes at Newbury.

Admirably ridden by Geoff Lewis, Jolly Good kept on gamely under hard driving in the closing stages to hold off Romper by the minimum distance, after appearing likely to run out a comfortable winner a furlong from home.

Jolly Good misses the Cambridgeshire and will not run again this season. Romper is also unlikely to run in the Cambridgeshire as his trainer thinks nine furlongs in the big Newmarket handicap will be on the sharp side.

To-day's racing comprises two flat meetings — at Leicester and Bath — and a jumping programme at Plumpton. The most important race of the afternoon is the Midland track's Barlethorpe Stud Nursery (3.15), which carries £3,000 in added prize money.

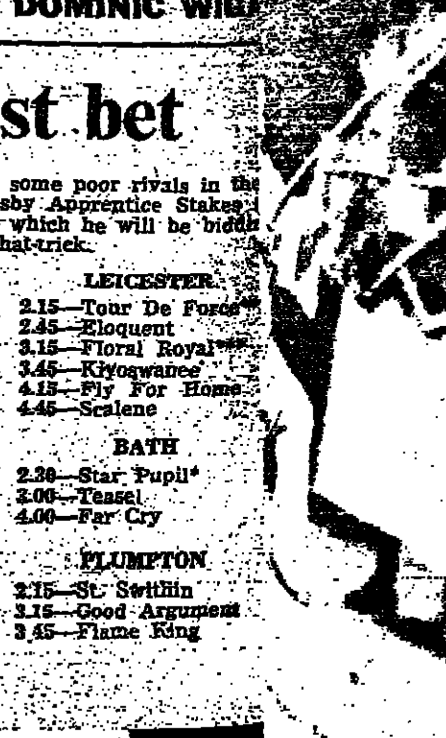
Here I shall not oppose the probable firm favourite, Lester Piggott's mount, *Floral Royal*, who gained a convincing success over the smart Ashabit at Windsor before failing to cope with Grey Home at Goodwood 10 days ago, where he lost several lengths when hampered at the start.

An hour earlier, Mr. Paul Mellon's progressive Cornish Prince gelding, *Tour de Force*, should have little difficulty in disposing of some poor rivals in the desby Apprentice Stakes in which he will be biddi a hat-trick.

LEICESTER
2.15—Tour De Force**
2.45—Eloquent
3.15—Floral Royal**
3.45—Kiyoswanee*
4.15—Fly For Home
4.45—Scalene

BATH
2.30—Star Pupil*
3.00—Teasel
4.00—Far Cry

PLUMPTON
2.15—St. Swithin
3.15—Good Argument
3.45—Flame King



[Alb]ert Hall/Radio 3

Brahms and Berlioz

by DAVID MURRAY

[Th]ursday's Prom brought the [New] Philharmonia in not just "symphony with obbligato," [but] two. The D minor piano [conc]erto of Brahms was thus [ca]lled, rudely, after its [pre]mière; Berlioz's *Harold in* [Ital]y earns the description [hon]estly, granted that it is at [leas]t as much a symphony as [his] other "symphonies." In [eith]er work, of course, is the [sol]ist's role as modest as the [lab]el implies. The taxing [solo] part in the Brahms is any[thin]g but marginal. What that [earl]y critic found irritating [abou]t the concerto must have [been] the unfamiliar relation in [whic]h it places soloist and [orch]estra, neither hero-with-[supp]orting-company nor em[batt]led opponents. That seems [to h]ave been the result of the [curi]ous history of the work, parts [of] which were originally in[tend]ed for a two-piano sonata [and] then for a symphony.

[Th]e Prom conductor, Andrew [Dav]is, enjoys a temperament so [diffe]rent from his pianist Stephen [Bish]op—or rather Bishop-Kovacevich, as he has courageously chosen to be called now—that a sort of fiction was created: a fiction of a more conventional soloist-and-band contrast. The Davis reading was strong, urgent and strictly controlled; Bishop-Kovacevich was all introversion and musing tenderness. Not quite all, for he propelled the finale along sturdily enough; but *Innigkeit* is his strong suit, and in the first movement he risked overplaying it. The noble second subject teetered on the verge of sentimentality. The adagio was as beautifully played as one expected, though the Bishop-Kovacevich pulse was unsteady. As usual, the finale sounded loosely episodic; if anyone can make it seem a structured whole, it won't be this oddly-matched team.

The "Harold" of the evening was Csaba Erdélyi, a 29-year-old Hungarian who is now the principal viola of the New Philharmonia. Though Berlioz wrote the piece on a commission from Paganini (who admired the music passionately but didn't play it), the solo part is marginal, in a sense: a Byronic onlooker, an *I am a Camera* eye watching the unspoiled life in the Abruzzi mountains which had so captivated Berlioz. With a violist of Mr. Erdélyi's remarkable strength and security, Mr. Davis had no need to supress the orchestral revels, and didn't.

It was a fizzing performance, full of happy orchestral details dexterously exposed by Mr. Davis, and taken at intrepid speeds. The tempo of the Pilgrims' March was kept just below the point at which the pilgrims must clearly be hoisting their skirts and running. None of this disturbed Mr. Erdélyi's serene obbligato, which held the rest in the steady perspective Berlioz intended, up to the point where Harold vanishes from sight and hearing into the Brigands' Orgy. In fact Mr. Erdélyi sensibly sat down, while the New Philharmonia displayed their current excellent form.

[Ra]dio 3

Beethoven/Hamilton

by GILLIAN WIDDICOMBE

[Th]e BBC's custom of preceding [the] ridiculous last night by the [sa]me Beethoven Ninth [Sym]phony on the final Friday [even]ing gives a good opportunity [to p]ass the work to those who [othe]rwise might not be handed [such] a masterpiece in London. [This] Friday, it fell to James [Lou]ghran, with the BBC [Sym]phony.

[Pol]ished the performance was. Convincing, yes. Loughran [took] a hectoring view of the [first] movement, with brisk [temp]o. There were some [per]eptic corners, with abrupt [...]h chords; and even the [inter]ludes of lyrical expansive[ness] jogged along impatiently. [Myst]ery and spaciousness were [not] explored; nor that sense of [hu]ge awakening usually [enj]oyed when the Ninth is [rega]rded as a programmatic work rather than a symphonic argument with odd conclusion. Scherzo and slow movement were straightforwardly taken, and only moderately played by the BBC SO, whose cantabile line was soul-less.

But there is one positive advantage of reading the first three movements in a plebeian, cheerful manner; the finale, which becomes more difficult to handle in direct proportion to the sophistication of preceding movements, seems both heightened and more natural. Loughran's earlier lack of fuss paid handsomely. He did some odd things with the introductory recitative, preferring instrumental phrasing to the suggestion of operatic wording. But as the movement got going, it stood up admirably, with earthy, thrusting energy, and a strong, clear march tempo; the finale's disparate sections were united simply and cheerfully. But for an unlucky soprano crack, the soloist (Jill Gomez, Bernadette Greevy, John Mitchinson and Norman Bailey) sang lustily.

An adventurous 20 minutes work for three separate choirs and three organs preceded the interval: *Epitaph for this World and Time*, by Iain Hamilton, dating from 1970. The piece seemed more theatrical in conception than in actual idiom. Hamilton uses extensive choral speaking (passages from St. John the Divine), and shapes his theme in five continuous sections, effectively crossing over from one group to another, and filling in with sparkly organ writing. But the general canvas is grey, sibilant and wispy; and words were unclear on radio. The enigma, "I Am Alpha and Omega," remained an enigma.

[Alb]ert Hall/Radio 3

Last Prom by RONALD CRIGHTON

[Th]e audience for Saturday's [last] Prom of the season paid [for] the antics of the second half [by l]istening to a programme of [Engl]ish music of a kind incon[ceiv]able in the past. Norman [Del] Mar and the BBC Symphony [Orch]estra brought out of the [shad]ows two neglected works by [majo]r composers. The *Eventyr* [of D]elius is a fine example of [Nord]ic legend acting on the [Engl]ish imagination as fruit[fully] as Mediterranean landscape [and m]yth has so often done. As [well] as reflective pages of great [beau]ty, there is the physical [vig]ousness overlooked by [those] who regard Delius as for[ever] dreaming in summer [gard]ens. Mr. Del Mar, who made [us sh]are his enjoyment of the [work], is well equipped to bring [it ba]ck to favour.

[Th]e *Five Tudor Portraits* of [Vaug]han Williams turn up more [often] than *Eventyr*, but they [ha]ve more front-rank per[form]ances. Perhaps they founder [on] the invincible gentility [of] English choral singers, [who] will not get their tongues [roun]d the ribald verses of John [Skelt]on — recommended to [Vaug]han Williams by Elgar, who [hims]elf had been attracted to [The] Tunning of Elinor Rum[ming]." It was this uninhibited [portr]ait of a scurvy ale-wife that [had] the least effect on Satur[day] with the numerous ladies of [the B]BC choruses singing tune[fully] but primly as if good Tudor [ale w]as instant coffee in plastic [cups]. Anne Howells, in her solo ["The] drunken Alice," provided [exact]ly what was missing. The [...] different words of the [elabo]rate lament for Jane [Scroo]p's dead sparrow were also [...]y projected by the [chorus] (not by Miss Howells). [...]nen in "My Pretty Bess" [and t]he dog-Latin epitaph for an [...]ed clerk were livelier. [Thom]as Hemsley, stylish as ever, was the baritone soloist. Perhaps a smaller choir might be the answer.

In the second part, the suite from the Berners ballet, *The Triumph of Neptune*, made its first appearance at a Prom since 1929. It is strange and sad that the Royal Ballet has not taken up a score so well made for character and classical dancing, fitted to a spectacle full of Victorian theatre nostalgia even more likely to charm now than when Diaghilev mounted it. (Rumours that Balanchine was to revive *Neptune* for the New York City Ballet seem to have come to nothing.) Since Berners put much more affection than malice into his parodies of popular music, the suite did not seem out of place before Henry Wood's nautical Fantasia. As the "Cloudland" number shows, Berners was nearer the English tradition than he realised.

Such a wicked observer of human oddity would have relished the Jack-in-the-box behaviour of the audience during *Neptune's* other neighbour, *Pomp and Circumstance No. 1*: standing for "Land of Hope and Glory" in the middle of the march, sitting down, then standing again for the reprise, getting up yet a third time for the encore. Mr. Del Mar presided beningly over the final rites. The orchestra, as usual, showed angelic patience. The soloists in the Wood Fantasia deserved more attention than they were given.

Festival Hall

Shostakovich & Prokofiev

by ELIZABETH FORBES

Shostakovich's Fifth Symphony, which constituted the first half of Friday night's International Celebrity Concert given by the London Symphony Orchestra at the Festival Hall, was played as a tribute to the memory of the composer, who died on August 9 this year. The conductor was Mstislav Rostropovich, an international celebrity indeed, but more importantly, Shostakovich's fellow-countryman, colleague and friend.

The Fifth Symphony, dating from 1937 and named by the composer "A Soviet Artist's Reply to Just Criticism," seemed at first a rather odd commemorative choice—would not the Tenth have been more suitable? But as the four movements of the work unfolded, they could be experienced as a kind of anthology of Shostakovich's musical styles, past and present. The opening Moderato repays the debt that the Russian owes to Mahler; the Scherzo conjures up the galumphing, grotesque side of his genius, as expressed in *The Nose* or some of the scenes of *Katerina Ismailova*; the beautiful slow third movement pays tribute to the lyrical, visionary aspect of the artist; while the finale, with its noise and clamour, emphasises the conventional, patriotic side.

Rostropovich was content to give each movement its special shape, rhythms and flavour, without attempting to synthesise the conflicting ingredients. The LSO followed his beat with the utmost enthusiasm and commitment. The brass blazed magnificently and the percussion—including the pianist—hit, banged or struck with admirable energy. But it was in the quieter episodes, the opening for divided strings in the Largo, the many flute solos, the moment of calm in the last movement just before the final holocaust, that the best playing could be heard, and it was those same episodes that made up the finest memorial to Shostakovich.

After the interval orchestra and condustor were joined by the London Symphony Chorus and by Galina Vishnevskaya in Prokofiev's cantata *Alexander Nevsky*. The original score for *Eisenstein's film* was written in 1938, and the adaption into the cantata made the following year. So *Alexander Nevsky* and the Shostakovich Fifth are nearly contemporary. But Prokofiev was a more cerebral composer than the younger musician, and his brand of patriotism, though just as sincere and heartfelt, has a certain self-consciousness about it. Nevertheless, the great choruses in *Alexander Nevsky*, as those in *War and Peace*, can induce lumps even into non-Russian throats.

The chorus, especially the tenors, were in fine voice, and raised the roof with "The Crusaders in Pskov," "Arise, ye Russian people" and "Alexander's entry into Pskov." In the fifth and most extended movement, "The Battle on the Ice," the LSO strings again proved their worth. They also provided a tactful accompaniment to Vishnevskaya in the lament "The field of the dead," which she sang with marvellously liquid tone, firmly projected and generously phrased. In this work Rostropovich did gather up the separate strands into a satisfyingly organic whole, and brought the final movement to an exciting climax.

[...]ca Faber, Brian Forster, Penny Casdagli in the Unicorn Theatre's production of "The Golden Sword" now at the Arts Theatre

Leslie French at the Young Vic

Leslie French will give three performances of his one-man Shakespearean show at the Young Vic. The first, to-night at 8 p.m., will be for the Young Vic Club and the Vic-Wells Association. To-morrow there will be a matinee for schools and a public performance in the evening.

Aldwych

The Marrying of Ann Leete

by B. A. YOUNG

I have thought for a long time that Granville Barker was the most under-rated English dramatist of this century, but there has been little opportunity to say so. The Royal Court gave us a moderate *Voysey Inheritance* about 10 years ago, Leatherhead an ambitious *Waste*. Now the RSC presents a lavish production of *The Marrying of Ann Leete*, his first play, academically the most interesting but dramatically the least, and the National is to add *The Madras House*. Considering the extravagant demands that Granville Barker makes, perhaps this is the most we can hope for.

Ann Leete is the younger daughter of a successful politician discredited for his weathercock loyalties. Mia Farrow makes her a touching figure, a study in astonished innocence, not yet experienced enough to know that you must not say what you think but what you will profit by. Her father means her to marry a duke's son and so restore his political fortune.

Her sister Sarah has made such a marriage and is already separated from her husband. Her brother George has married the daughter of a local farmer and forfeited his place in society. Ann, weighing up the situation through Miss Farrow's huge eyes, measuring her future through a childlike voice little developed from an adolescent squawk, makes what seems to her the nicest decision. She will marry John the gardener.

The resource with which Barker tells this story is remarkable. He opens with a scene of romantic comedy played in total darkness; as the dawn lightens, so the complex situation surrounding the Leete family is gradually exposed, though with a minimum of overt "plotting." The dialogue is profoundly original. Barker is often called a follower of Shaw, but there is little in common between their styles other than intelligence. If anything, *Ann Leete* descends from Wilde, the bad melodramas rather than the farce. Even the later, more mature, pieces are constructed more on Wildean than on Shavian lines.

The talk is crisp and artificial. "Shall I betray a confidence?" "Better not." The confidence is betrayed in the next sentence. There are games with words, too, that almost suggest Joyce. "Do I take this? I take it badly." "*I* take my leave." It invigorates the mind as it reveals the situation, and the company, under David Jones's outstanding direction, handles it with an athletic certainty.

Paul Rogers plays Ann's father, Carnaby Leete, with a cold self-interest that chills even his occasional moments of family concern. Mike Gwilym as his son has the family coolness without the father's poise; he is a curiously accurate reflection of his grandfather the baronet (John Boswall) with all the superiority drained away. Estelle Kohler as Sally is the only family member who betrays any sign of real affection; she beams happily through her misfortunes and persists in making the worst of them.

Of the figures outside the family, the principal is Richard Pasco as Lord John Carp, Ann's intended husband. He is as cold as the rest, but with some dignity and a certain humour denied to any of the Leetes but the two sisters. There are a number of telling performances in small parts that are minutely detailed. John Abud, the gardener, is little more than a gardener even in his astonishing fortune, married from the big house with all the aristocracy present to drink his health and then kick him out; but as Oliver Cotton plays him he is a specific individual gardener however servile his behaviour. I was especially moved by Janet Whiteside as Mrs. Opie, the housekeeper; her snuffling tears before the fire at the reception *pierce the heart*.

With so many characters to handle, none of them underdrawn except for one or two farcical (and unnecessary) figures at the wedding reception, David Jones performs prodigies of subtle stagecraft in Timothy O'Brien and Tazeena Firth's fine sets. The first, the garden, is conceived in two parts, like the beginning of *The Three Sisters*, so that different lines of argument can be pursued separately in counterpoint with one another.

There is no satisfactory way of concluding a play that reaches such an unstable alliance at the end of the first act (as done here). The wedding reception offers some sketches of class hostility and some sharp portraits of individuals, but it only puts off the moment of resolution. I shall always believe that Barker's last act, showing John Abud and Ann in their wretched cottage with their lives ahead of them, must be what prompted Shaw to end *Pygmalion* with an essay rather than a decisive scene. It gives Miss Farrow and Mr. Cotton an opportunity to suggest tenderness, rather than play it; but it is not a conclusion.

O'Casey in Germany

by RONALD HOLLOWAY

The passing of Eamon de Valera recalled Sean O'Casey's grim, angry indictment of the ill-planned 1916 Easter Week Rising. *The Plough and the Stars*, an amateur production I stage-handed in my youth and was profoundly impressed by (the street scene in the second act, and not the masterful pub scene in the one before). History has written that no love was lost between the two: indeed, O'Casey's stand against the Irish Citizen Army's affiliation with De Valera's Irish Volunteers resulted in his expulsion as ICA secretary, and the play was forged under accusations of "Where were you during Easter Week?" He had in fact been detained ignominiously in a granary, but he was horrified at the misery heaped on the innocent in the name of sweet patriotism and got even a decade later in a riotous week at the Abbey Theatre. Time, and close to an institutionalising of *The Plough and the Stars* at the Abbey, has settled the issue in favour of the playwright.

The issue on the Continent has yet to be settled. For an understandable but unforgivable reason the German theatre looks upon early O'Casey as Anglo-Brecht (weren't they both Communists?), and the later plays are treated like nasty-minded farces in an intellectual vein. The fault can perhaps be localised in the "official" translation of his plays published by Henschelverlag in East Germany and its partner to the West, Suhrkamp: they both manifest a tone-deafness for the Irish idiom, the reservoir of his nimble sense for comic fantasy.

As a result, such venerated productions as the Berliner Ensemble's *Purple Dust*—in the *Spielplan* since 1966—suffer from a fatal artificiality of speech and manners. As we are presently experiencing an O'Casey renaissance of sorts in West Germany, due in great measure to the availing efforts of a dedicated few, his ideas are now being weighed for their vitality instead of a sociopolitical message.

Take the odyssey of *Juno and the Paycock*. Adolf Dresen's current production at the Kammerspiele of the Deutsches Theater is hailed there as model O'Casey, although the comic element has all but disappeared in the over-emphasis on the tragic: worse, Juno is conceived as some compromise between Gorky-Pudovkin's *The Mother* and Brecht's *Mother Courage*. O'Casey was a vague Marxist at best, and his plays are interesting, and entertaining, precisely because he could not write a drama of ideas. But he could set adrift a character at will, and the coming-and-going in a Dublin tenement provided ample opportunity for an unforgettable twist of pain amid racy, vital dialogue. If one of the characters is false, the whole is in immediate danger of falling apart. Last season Hans Lietzau placed all his chips on the Paycock in a Schiller-Theater production, turning loose a gifted West Berlin comedian to carry the load alone. *The thud was one of the* loudest of the season.

The Dublin Trilogy — *The Shadow of a Gunman*, *Juno and the Paycock*, and *The Plough and the Stars*—got its biggest boost in the past decade from Gerd Omar Leutner, until recently Intendant in Dortmund. He began working on a new translation of *Juno* shortly after staging the trilogy in the late '40s at Hamburg's Studio Bühne (the Ernst Deutsch Theater to-day). His university thesis was on O'Casey, and he made a point to visit the playwright in his Torquay exile: after staging the trilogy again in Wuppertal with new translations, he scored a big success with a guest production of *The Plough and the Stars* at the 1963 Recklinghausen Ruhrfestspiele. His Dortmund Intendanz "revived" the trilogy for a third time, and Leutner has since made it a practice to save other English-language dramatists (Eugene O'Neill, Peter Terson) from literary hacks.

A popular O'Casey on the boards to-day is his one-act play, *The End of the Beginning*, an hilarious farce that is presently keeping the seats warm at West Berlin's Schaubühne am Halleschen Ufer during a discomforting creative lull. The play also had an astonishing success in Dresden in the late '60s, under the direction of Frank Beyer (the director of *Jacob the Liar* at this year's Berlin film festival), but in a new Baierl translation. The Frankfurt Schauspielhaus under Peter Palitzsch has also staged the one-acter and other O'Casey and Behan plays the past few seasons: the renewed interest in O'Casey has in fact originated from this talented ensemble.

The Irish playwright will always have something positive to offer German theatre, for his power to crystallise feelings grabs the heart and the intellect at the same time. The mistake is to try to find something for or *against* the church, the revolution, or the Dublin drunkard—nothing exists. Like Chekhov, Schnitzler and O'Neill—his comrades-in-arms—he is at best and lustiest in voicing a principle of life, and this makes even the symbolic exile plays worth listening to.

The worst O'Casey productions in Germany (among them Wilfried Minks's cold-hearted *The Bishop's Bonfire* at Berlin's Schiller-Theater and *Cock-a-Doodle Dandy* at Hamburg's Schauspielhaus the past two seasons) have also demonstrated a resiliency to beat the odds: they are not the shapeless confusions lesser lights think they are, but the culmination of the modern tragic-comedy. A fitting *Purple Dust* and *Cock-a-Doodle Dandy* have yet to be produced in Germany.

But bound and gagged, O'Casey can still kick back, and the German theatre is none the worse for having him here under the flimsiest of excuses.

The Entertainment Guide is on Page 24

Children's art exhibition

The Kellogg's national exhibition of children's art is now at the Mall Galleries in Trafalgar Square.

It is the 28th annual exhibition, and has attracted more than 30,000 entries from British schools. About 700 paintings, drawings, prints, sculpture and craft work by young artists aged 17 and under were selected.

The entries were judged by a panel headed by Sir Norman Reid, Director of the Tate, who presented the Kellogg's art training award to the exhibitor considered to show most promise. He is Emrys Williams of York Road, Colwyn Bay, Clwyd.

The exhibition is open until October 18. It will then go on tour.

Transport faces heaviest burden of investment cuts

BY JOHN BOURNE, LOBBY EDITOR

THE HEAVIEST cuts in the investment programmes of the nationalised industries over the next few years are likely to fall in the transport field.

According to some Whitehall sources — which incidentally are sceptical about the recent cries of "No Treasury pressure" after the Post Office's announcement of big reductions in orders for telephone equipment — the whole mood is one of Government pressure to cut wherever possible the investment programmes not only of British Rail, but the National Bus Corporation National Freight Corporation and NCL, and to rationalise the operations of these industries.

The examination by the Government's Public Expenditure Survey Committee has, it is maintained, tightened the screw, particularly on British Rail, and economies are being considered now which go beyond the figures originally envisaged.

The main investment cuts in industries which will be hit will fall, it is said, not next year but in the years beyond.

Recession

As one senior civil servant put it: "The whole atmosphere of recent discussions has been that some nationalised industries are in for a bad time on their investment programmes.

"This is because the turn-round of the economy is now estimated to be much slower than expected. The recession will go on for longer than was forecast.

"As the scope for cutting next year's investment programmes is limited because of the time factor, it is the longer-term investment programmes that are in question."

However, the picture is not the same in every Whitehall department which has responsibility for nationalised industries.

For instance, Energy is confident that investment programmes in coal, oil, gas and nuclear power will be given high priority, and Industry is equally sure the British Steel

More Home News Page 24

Corporation's plans for new plant will have similar importance.

The Department of Industry, incidentally, puts the responsibility for the Post Office's cuts in orders for telephone equipment over the next two years firmly on the falling demand for the Post Office's services, after increased charges.

Meanwhile, the Treasury has completed its review of the investment programmes of nationalised industries for next year. This review will involve the saving of about £100m. at this year's prices forecast by Mr. Denis Healey, Chancellor of the Exchequer, in his April Budget.

But the Treasury has also given the industries advice on how far they can commit themselves financially for the following years, 1977-78 and 1978-79.

Although the industries will have to wait for publication of the Public Expenditure White Paper towards the end of the year to know which of their final expenditure programmes have been approved by the Government, the Treasury's attitude is that investment in the public sector should be steered into those programmes which will produce the greatest benefit for the economy — namely, where the greatest market demand will be in the years ahead.

Any cuts in programmes beyond next year, it is claimed in Treasury circles, will arise from the particular industry's own assessment and estimates of future markets.

For example, the Central Electricity Generating Board, it is argued, has already decided that because of revised estimates of the demand for electricity, it will spend no more money on fossil-fuel-powered stations before 1978.

Tory view

Ironically, the Conservatives are not taking a strong line on capital expenditure in the nationalised industries.

In a week-end speech, Mr. John Nott, an Opposition spokesman on Treasury and Economic affairs, said: "Capital expenditure in the public sector is essential for the nation's future and Mr. Healey has probably cut it too far."

Present expenditure would be reduced only by far tougher financial discipline, particularly over pay and manning, the elimination of some functions and the shifting of others.

It was essential to have a sacrifice of several subsidies, of some welfare and the switching of many public sector functions to the private sector.

Arthur Smith writes: British Rail appears to be the prime candidate for economies. Capital spending, running this year at around £203m., is already a quarter down on what it desired as a result of previous cuts, British Rail said.

Capital spending was under continuous review by the Government and it was not possible to give figures of likely spending for future years.

The timing of big projects such as electrification schemes were subject to Government authority, British Rail added.

Limited

The design and production of the three prototype Advanced Passenger Trains which will cost £23m. over the next three years is not seen to be under threat.

The National Bus Company, which has budgeted £23.7m. for capital investment in the present financial year and envisages similar totals up to 1978-79, maintains that the scope for cuts is limited.

The bulk of spending is on new vehicles, and the point is made that cuts in new purchases would be quickly counterbalanced by increased maintenance costs.

The National Freight Corporation, with capital spending running this year at £32m. said no cuts were either planned or envisaged.

Workless overstated claims Tory group

By Michael Blanden

THE ACTUAL level of unemployment in the U.K. may be closer to 718,000 or 2.8 per cent., rather than the nearly 1.25m. (5.4 per cent.) shown in the official statistics last week.

The Centre for Policy Studies, the research organisation supported by Sir Keith Joseph and Mrs. Margaret Thatcher, says again this month that weaknesses in the official statistics probably overstate the unemployment problem in terms of the numbers involved.

The picture given by their adjusted figures, however, is possibly more worrying. This month official figures showed a slight decrease in the total of U.K. unemployed, but the Centre's calculations indicate a marked rise in the underlying level of unemployment of 188,700 during the month.

This was because "the number of long-term unemployed, the most worrying component of those whose numbers are reflected in the official figures, is clearly still rising," while other unemployed on the evidence of this month "appeared to be going down."

The Centre's figures are reached by deducting from the official statistics estimates of the numbers unsuited to regular full-time work—put at 250,000; those between jobs—231,000, or 120,000 less than in the previous month; out of work for four weeks or less; and 50,000 pensioners not seeking work.

Knell tolls for consumer electronics industry

BY ARTHUR SANDLES

BRITAIN'S consumer electronics industry, particularly colour TV could be crippled irrevocably within months because it had been placed at the forefront of consumer spending restrictions. This theme ran with remarkable consistency through week-end comments on the industry, but provoked only a chilly response from the Treasury.

This week the magazine, *The Engineer*, is to publish results of a survey among several electronics makers. It comes to the conclusion that the industry "will be dead within a year" without drastic Government action.

The colour TV industry was losing £15m. a year and 20,000 jobs and a £60m. investment is at risk.

Mr. Ken Appleton, managing director of the pressed glass division of Pilkington Brothers, says, in the magazine that his company had hoped for Government encouragement for a tube glass-making industry, but that these hopes had been dashed by Mr. Eric Varley, the Industry Secretary.

Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union, told a Radio Industries Club convention that without urgent action on the 25 per cent. VAT level, "the larger manufacturing plants will close, along with many component supliers.

"The British electrical consumer industry will do nothing else but assemble foreign components — a ridiculous situation for an industry so technologically excellent at its own business."

Mr. Chapple made a slashing attack on Treasury attitudes. "Treasury and Civil Service influence hang over us all like a shroud. They do not understand activities that actually produces industry, the peculiar blend of the wealth of the country.

"Unlike our competitor countries like Japan or West Germany, where government seeks to assist industry in every possible way, this country's administrators stumble from one short-sighted decision to the next," he said. "Some way must be found to make Government aware of the real industrial world."

Mr. Chapple was joined by other week-end speakers in a warning that the colour television industry was only the consumer tip of a large elecontronics iceberg, and that by destroying the TV business Government was endangering a large range of electronics work, including defence.

Mr. Sid Parker, managing director of Thorn Television Rentals, told the Royal Television Society's conference in Cambridge: "It is perhaps not just a coincidence that the national league of prosperity looks very similar to the league table of countries with healthy and sound electronics industries."

The Government was accused by Mr. Wisse Dekker, chairman and managing director of Philips Electronic and Associated Industries of being "firmly set on policies which will almost certainly wreck industry rather than encourage badly needed investments."

At the same conference, speakers referred to the prospects of an end to British television tube production in the face of Japanese imports and U.K. Government attitudes. The conference took on a pessimistic tone towards its end with complaints being made about Government failure to understand the implications of depressing electronics demand.

Pilkington had been told that there was no long-term future for its £4.7m. colour television glassware plant at Ravenhead

MR. FRANK CHAP
"It's ridiculous.

and it will be closed o 31. It had considered a £2.7m. investment there "there is not a glimm chance of the plant b started."

Immediate 15 per cen tariffs on Japanese t tubes are demanded by Akerman, managing di Mullard, who says " anti-dumping laws are date." He could nc dumping but "unless taken immediately the TV industry will be des 12 months."

Mr. Robert Sheldo Financial Secretary Treasury also speaking Radio Industries Club cannot hold out any that the Government abandoning the 25 per of VAT over any additi of the television indust

Road Federation chief hits at rail subsidies

BY TERRY DODSWORTH

INCREASING SUBSIDIES for the railways came under attack in criticism of the Government's transport policies by Mr. Tony de Boer, chairman of the British Road Federation, at the week-end.

The proportion of goods carried by British Rail was continuing to dwindle, said Mr. de Boer. "Yet last year Britain had to dig in its pocket to the extent of £394m. in subsidies and operating grants to BR. This year it is likely to cost more than £459m."

Rail subsidies had become the fastest-growing sector of public expenditure, including education, health and social services. "The question we need to ask, and one the Government resolutely refuses to bring into open debate, is whether British Rail is worth the price it now costs."

Mr. de Boer told a conference in Oxford organised by the Chartered Institute of Transport that for 20 or 30 years no Government had "had the courage" to lay down the principles of its transport policy and stand by them.

Present policy had to be interpreted from a variety of Parliamentary hints and Ministerial speeches. "Odd statements scarcely add up to the comprehensive policy we need in allocating, this past year, £1.794m. of public money among the various sectors of transport."

Given the economic crisis, Government policy should be directed to investment in roads, where there was promise of the greatest returns. Yet the trunk road programme was running down, the target of 3,500 miles of motorway and all-purpose trunk roads pushed back from the 1980s to the 1990s.

Slight rise in sales of textiles

Financial Times Reporter

WHOLESALE TEXTILE sales showed only a marginal improvement in July over the same month last year. Although calculated in value terms, they declined in the children's wear, shirts and gloves categories.

Sales have moved most strongly ahead in the following categories: women's underwear (an increase of 32 per cent.); women's coats (25 per cent.); women's millinery (18 per cent.); piece goods (11 per cent.); floor coverings (13 per cent.); and boots and shoes (9 per cent.).

New judge

MR. KENNETH JUPP, Q.C., has been appointed a Judge of the High Court, the Crown Office said to-day. He will be assigned to the Queen's Bench Division.

'Spring may bring start of economic recovery'

BRITAIN will recover from the world economic depression more slowly than other advanced countries because she was so late trying to deal with inflation, according to the Henley Centre for Forecasting.

The centre predicts in its economic forecast that recovery will be put off in Britain until next spring. Although other major countries were in sight of recovery and there were signs that it had already begun in the U.S.A. and Japan, Britain was still on the way down.

The rush for wage increases before the £6 limit came in has made the centre more pessimistic about the future than it was in its June forecast.

It now predicts that tax cuts in the April Budget, moves to make consumer credit easier and rising exports, should set production on the upward path then.

Unemployment, though, would still go on rising, though more slowly towards the end of next year, reaching a peak until 1977 before beginning to fall slowly.

Earnings, because of reduced overtime and short-time working, are rising more slowly than prices, but the centre does not think that the Government's target of keeping wage increase down to 10 per cent. next year will be met.

It predicts a rise of 13 per cent. but does not expect a major explosion in wage rates in autumn of next year, at the end of the £6 limit.

Hygiene plea

LOCAL COUNCILS want to control standards of hygiene in hospital kitchens. The Association of Metropolitan Authorities has written to the Department of Health asking for the statutory right to send inspectors into the kitchens. The association surveyed 44 authorities, half of which favoured statutory controls.

Fisons attacks £10m. market

BY RAY DAFTER

FISONS is to expand its proprietary medicines business in the U.K. One of its first targets is the £10m.-a-year market for hand cream.

The chemicals group has been test marketing a hand-conditioning cream in the north west for the last six months in which time it claims to have become the brand leader in the area. The product is now to be marketed on a wider scale.

Fisons said that it was also looking at the possibility of introducing other products in the U.K., the Continent and South Asia.

These products are a spin-off of a development programme in Australia where the local Fisons operation acquired three years ago the Rosken Pharmaceuticals company.

The acquisition provided the group with a large number of "over the counter" pharmaceuticals to supplement its range of iron tablets, nerve tonic, champoos, pre-digested milk foods vitamins, analgesics, and slimming products.

In the last two years Fisons has spent almost £500,000 on capital expansion in Australia, much of it on modernising and enlarging the Rosken manufacturing base and the group distribution centre near Sydney.

Last year proprietary medicine sales accounted for $2.2m. (£1.33m.) of Fisons Pty's $8.5m. (£5.15m.) turnover. Most business came through the sales of the anti-asthma drug Intal, however. Last year $5.3m. (£3.2m.) worth of Intal was sold in Australia, all of it exported from the U.K.

On the other hand, the Rosken proprietary medicines are being imported from although it is possible skin conditioner eventu be manufactured in the

The development prietary medicines is a natural growth area fr which is also heavily in the ethical drugs ma agricultural chemicals.

Mr. Harry Blackbor man and managing di Fisons Pty, in Australia, apart from adding to the "over the counter" pro company might also ve new areas of manufact

Diversification into products would be a step" if the opportunit

"On the whole we cautious approach to d tion so that we do not outside the group profit our established capabil

ARMSTRONG EQUIPMENT LIMITED

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar with effect from 30th July, 1975.

All correspondence and documents for registration regarding the Share Registers should in future be sent to:-

Lloyds Bank Limited,
Registrar's Department,
Goring-by-Sea,
Worthing, West Sussex, BN12 6DA.
Tel: Worthing 502541
(STD Code 0903)

I. HAYLOCK, Director

THE RITZ HOTEL (LONDON) LIMITED

INTERIM STATEMENT

The unaudited results for the half-year to 31st March 1975 are as follows:—

	Half Year to 31/3/75	Half Year to 31/3/74
Gross Hotel Receipts	£326,000	£364,000
Net (Loss)/ Profit before Taxation, including investment income and after charging expenditure on Repairs & Renewals	(£45,948)	£19,334
Estimated Taxation, including provision for irrecoverable Advance Corporation Tax	£8,174	£10,500
Net (Loss)/Profit after Taxation	(£54,122)	£8,834
Earnings per Stock Unit of Preferred Ordinary and Ordinary Stock (£450,000)	(12p)	2.0p

As in previous year no Interim Dividend is to be paid.

هكذا من الأصل

Spain arrests 57 more 'urban terrorists'

BY ROGER MATTHEWS

MADRID, Sept. 21.

THE SPANISH regime announced the arrest of another 57 alleged urban terrorists over the week-end, sentenced a member of the Basque terrorist group ETA to death, but did not as feared, execute any of the 10 young people already facing the death penalty.

Appeals to spare their lives continued to flood in from foreign Governments, trade unions, church bodies and, it is understood, the Pope, who sent a direct message to General Franco. This coincided with further demonstrations in many European cities against the Spanish regime and attacks on Spanish representative offices abroad.

At least two of these under sentence of death, both women, seem certain to be reprieved. As both are said by their lawyers to be pregnant they cannot under Spanish law be executed until 40 days after their children are born.

Of the 57 arrests announced yesterday, 40 relate to the revolutionary Anti-Fascist Patriotic Front (FRAP), eight of whose members have been sentenced to death in court martials during the past fortnight, 13 to the so-called Catalan Liberation Front and four to Workers Revolutionary Action. These last four were arrested in Murcia on September 1 while the others were detained in Valencia and Barcelona.

This brings the number of arrests under the new anti-terrorist law during the past week to well over 150, with further police announcements expected. A quantity of arms, ammunition, explosives and subversive literature is said to have been seized along with various busts of Lenin.

In the town of Gijon a police Land-Rover was destroyed by a bomb but no-one hurt while the condition of a man badly injured by an alleged ETA bomb a week ago is said to be deteriorating.

Pressures within the regime and Government seem certain to build up during this week over what course of action to adopt, especially in the face of so much hostility from abroad. The mild liberalisation programme of Prime Minister Arias announced 18 months ago seems now to have almost totally disappeared, and the economic Ministers are anxious about the effect the regime's actions will have on relations with the Common Market.

Relations with the Roman Catholic church, already at their lowest ever point during the life of the Franco regime, may reach a new nadir if a unanimous appeal by the nation's bishops for clemency to those under sentence of death is rejected.

Meanwhile the Spanish Press, heavily censored as to what it can write under the anti-terrorist law, to-day reflected police opinion when claiming that ETA in particular had suffered a perhaps mortal blow as the result of last week's arrests. FRAP which was never *thought to have numbered more* than a few hundred people at most, must also by the same reckoning be virtually destroyed.

Reuter reports from Vatican City: Pope Paul to-day appealed for clemency for the 11 alleged urban guerillas sentenced to death in Spain. He told more than 150,000 pilgrims gathered in St. Peter's Square for his regular Sunday blessing that among the many sad events in the world which troubled him were "the death sentences on the terrorists in Spain."

"We deplore criminal gestures but we would like them to be redeemed by a justice which knows how to be magnanimous in clemency," he declared.

Egyptian workers demonstrate for Sadat

By Michael Tingay

CAIRO, Sept. 21

ORGANISED demonstrations in support of Egypt's interim agreement with Israel by workers from the industrial centres of Helwan, Kalyoub and Mehalla this week-end underlined Egypt's continuing efforts to parry Arab opposition to President Sadat's Middle East peace policies.

About 5,000 workers waving banners hailing the agreement and some chanting anti-Palestinian slogans, marched to Abdin Palace, the Egyptian President's workplace in central Cairo where a declaration of support was handed in by leaders of the Egyptian Workers Federation (EWF) and trade union leaders.

President Sadat actually has all the domestic support he could wish for. His problem is continued Arab opposition which he hoped would die down but is effectively isolating him from much of the Arab world.

Cairo's relative isolation within the Arab world has been highlighted while Mr. Sadat has been asserting Egypt's political independence in recent speeches. While editorials in to-day's Cairo papers continued the attack on the Syrian B'ath party, the Syrian Foreign Minister, Mr. Khaddam, was playing the trump peace-making card in Lebanon

IATA urges jet fuel price controls

BY WILLIAM DULLFORCE

STOCKHOLM, Sept. 21.

THE international airlines will urge governments to control jet fuel prices, if the oil companies pass on to them any increase in crude oil prices decided by the Organisation of Petroleum Exporting Countries (OPEC) at its Vienna meeting this week, Mr. Knut Hagrup, the Norwegian president of the International Air Transport Association (IATA), warned here to-day. He also called for controls on airline capacity.

Accusing the oil companies of being unfair to airlines, Mr. Hagrup said IATA had proof, confirmed by an independent consultant, that their marking up on jet fuel prices had been around 10 per cent. higher than the increases on other oil products. The companies were recouping from the airlines the cutback in profits arising from price controls on housing and car fuels. They should "be a bit careful with the airlines," whose finances could stand no further increase in fuel costs, and remember that a considerable number of airlines were either owned or subsidised by governments, Mr. Hagrup said.

The international airlines had lost $1.3bn. in 1974, of which $800m. was the shortfall between the fuel cost increase and the rise in fares. Even with no further increase in fuel costs they would need a 12 per cent. average increase in fares and an eight per cent. increase in traffic in 1976 to even approach the break-even point—"and we will not get it."

The oil companies defeated an attempt by groups of IATA members to obtain discounts by joint bulk buying of jet fuel. Air France is understood to have tried to buy fuel on behalf of all the airlines operating out of France. A plan for the airlines to buy their own crude and have it refined at independent refineries, which offered cheaper rates for jet fuel than the major oil companies, also foundered over the problem of finding a market for the other products of the refining process.

One effort has already been made to get Governments to control jet fuel prices. SAS, of which Mr. Hagrup is also president, asked the three Scandinavian Governments to intervene a year ago. The companies were warned that price control was being discussed but no further action was taken, when fuel prices in general slipped downwards *shortly afterwards*.

Social Democrats may loss ground in Finland

HELSINKI, Sept. 21

FINNS to-day voted in general elections for a new Eduskunta (Parliament) with no big swings expected despite rapidly rising unemployment and a record foreign trade deficit.

Turnout was about average on the first day of the two-day election although in the under-developed areas of east and north Finland ideal berry and mushroom picking weather kept people away from the polls.

The elections were scheduled for January, 1976 but the gloomy economic outlook and internal differences brought about the resignation in June of the coalition Government headed by Social Democrats and Centrists.

Opinion polls suggest that the four main parties—Social Democrats, Communists, Conservatives and Centrists—should again capture 70 per cent. of the vote for the 200-seat Eduskunta with the rest going to eight smaller parties.

According to the polls, the poor economic situation could cost the Social Democrats about 1 per cent of their share of the vote while the opposition Communists could gain about 1.5 per cent.

Finland's multi-party system—*a record 12 parties are putting* forward candidates

Reuter

Whitlam accuses Lisbon of irresponsibility over Timor

MELBOURNE, Sept. 21.

AUSTRALIAN Prime Minister Gough Whitlam to-day accused Portugal of failing to take responsibility for ending strife in Portuguese Timor where fresh fighting was reported involving unidentified troops who crossed the border from Indonesia.

Mr. Whitlam, *in a television* interview, accused Portugal of "just clearing out and dropping their bundle"—an apparent reference to the move by Portuguese authorities from Timor to nearby Atauro Island after factional fighting broke out last month.

The *left-wing* Revolutionary Front for Independent East Timor (Fretilin), which seeks immediate independence, is in conflict with the more moderate Timor Democratic Union (UDT) and the pro-Indonesia Apodeti Party.

Indonesia, which administers the western end of Timor Island and fears the unrest in the Portuguese territory may endanger political stability in the region, has sent a naval flotilla including a destroyer to reinforce patrols off East Timor. Official sources in Jakarta said to-day the ships had arrived.

The latest report of fighting came from the military commander of Fretilin, which *now claims to be in effective* control of Portuguese Timor.

Reuter

Right suspected of bomb at PM's house

BY JANE BERGEROL

LISBON, Sept. 21.

A BOMB went off early this morning outside the summer residence of Portugal's Prime Minister, Admiral Pinheiro de Azevedo, blowing out windows and damaging furniture on the ground floor. The Prime Minister was sleeping on the third floor at the time and no one was injured.

Whether the bombing attack is the work of extreme Leftists opposed to the new sixth provisional Government, or of extreme Rightists from the Democratic Movement for the Liberation of Portugal (MLP), headed by ex-General Spinola, is still unclear.

An aide from the Prime Minister's office commented it was in his view the work of Rightists, and this opinion was borne out by a leading Right wing Centre Democrat politician.

The MDLP, which is building up a campaign against the current Armed Forces movement leadership with a view to taking over Portugal, remains a clandestine organisation, with its only public leaders abroad in Spain and Brazil. There were reports that the movement was planning some token action this week-end to prove to the Portuguese the extent of its striking force. It was thought that they might have tried some hit and run attacks in northern Portugal, where escape into Spain or into remote villages near the border, would be easy.

However, to have succeeded in placing a bomb on the new Prime Minister's doorstep, barely 36 hours after he had been sworn in at the head of a more moderate left wing Government, if it is the work of the MDLP, would be a far more demoralising blow to the Lisbon military leadership than actions in the north.

A Porto newspaper to-day confirmed reports of armed civilian groups from certain extreme left parties being sent northwards, along with Copcon security forces, to provide additional striking capability in the Minho and Tras-Os-Montes regions, in the event of attacks either by MDLP, or by the Portuguese Liberation Army (ELP).

Thirteen killed after Beirut 'ceasefire'

BEIRUT, Sept. 21.

SPORADIC explosions and shooting continued in and around Beirut to-day, as police reported *13 people killed over*night and to-day despite yesterday's ceasefire.

There was less shooting after dawn than there had been during the night and by mid-afternoon state-run Beirut Radio said there had been a marked improvement in the situation. *But there were some explosions* and firing in suburbs, and a police report said firing could also be heard in the capital's main square, Al-Burj. The report said a dozen people had been wounded since last night, in addition to the 13 dead.

As the latest ceasefire seemed to be taking hold, politicians held intensive consultations in an effort to make sure it lasted. So far in this year's fourth round of factional violence at least 210 people have been killed and about 500 others injured. Principal protagonists in the fighting are right-wing Phalangists and an assortment of mainly Moslem leftists, supported by Palestinian commandos, who want more *power and economic opportunity* for Moslems.

Ihsan Hijazi reports: The negotiations to bring about a solution to the Lebanese crisis are led by the Syrian vice-premier Abdel Halim Khaddam who was meeting to-day with President Suleiman Franjieh, *Premier Rashid Karami*, and Interior Minister Camille Chamoun. Mr. Khaddam arrived here Friday night, and was accompanied by the Syrian chief of staff, Major General Hikmat Al Chehabi. This is the third time Syrian mediation is undertaken since the crisis broke out last April.

The new truce was the result of intensive contacts by the two Syrian officials with Lebanese officials, commando and leftist leaders, as well as with Mr. Pierre Gemayel, the president of the right-wing and predominantly Christian Phalangist party.

Comoro secession bid 'foiled'

MORONI, COMORO ISLANDS, Sept. 21.

ARMED supporters of the ruling National Executive Council to-day took control of Anjouan, one of four islands in this Indian Ocean archipelago, apparently to stop a secession move by deposed President Ahmed Abdallah, well informed sources said here.

The sources said one of the former President's supporters was killed and several people were injured in the operation which met with little opposition from Anjouan islanders.

About 100 former members of the armed militia opposed to President Abdallah were flown to Anjouan's Quani airfield and immediately seized control of the airfield and the control tower as well as administrative buildings at Mutsamudu, the island's main town, the sources said.

The former President's personal bodyguard of 50 men had largely surrendered without resistance and the militants were now searching the island for Abdallah himself, they added.

The former President was on a visit to Anjouan, his birthplace, when he was overthrown in a bloodless coup in Moroni, the capital, on August 3, less than a month after he had unilaterally declared the archipelago independent of France.

Reuter

Iran Cabinet resigns

By Robert Graham

TEHRAN, Sept. 21.

THE IRANIAN cabinet to-day formally resigned in preparation for a reshuffle which is expected to be announced on Tuesday. There has been intense speculation here over the changes but informed sources to-day indicated that the bulk of the reshuffle will concern the less important ministries.

The Prime Minister traditionally offers the resignation of his cabinet at the beginning of a new parliamentary term. The Shah on September 8 inaugurated a Parliament which is composed for the first time of members elected under the banner of the newly formed Rastakhiz party.

MR. HEATH MEETS CHAIRMAN MAO

PEKING, Sept. 21.

Former British Prime Minister Edward Heath to-day had a surprise audience with Chairman Mao Tse-tung and reported later that China's aged leader was well-informed and in comparative good health.

Mr. Heath told foreign correspondents the hour-long discussion covered the whole field of *international affairs* and that 81-year-old Mao was "absolutely au fait with everything that is going on." The two men also talked about China's progress after 26 years of Communism.

Reuter

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The Executive's World : The Office

EDITED BY JAMES ENSOR

TYPEWRITERS

Olympia's challenge to IBM

BY ROY LEVINE

WHILE AMERICAN futurologists gaze starry-eyed at the prospects of a multi-billion dollar market for text-editing or electronic typewriters, reckoned to be the systems forming the heart of the office of the future, Europe's biggest manufacturer of typewriters, Olympia (a subsidiary of AEG-Telefunken), is about to launch the first new standard electric model in the industry for nearly nine years.

The SGE 60, as it is called, has several benefits over conventional electrics. There are only eight moving parts between the keyboard and the paper. This allows a typist to type faster and, more important, means less servicing and slower price increases in the future. Even Olympia's current standard electric, the SGE 50, has more than twice that number of moving parts. Apart from being quicker, the SGE 60 is lighter and about a third quieter than other models. Finally, the lower keyboard offers a more natural typing position.

The model has been test-marketed in Germany for two years and will be formally introduced in the U.K. on November 1. It will be sold at around £400 through Olympia U.K.'s 1,200 typewriter dealers with the aim of improving its 25 per cent. share of the electrics market. Dr. Ludwig Orth, Olympia's chairman, is giving the SGE 60 priority over the group's single element typewriter and its editing system because while electronic typewriters are making great strides in the U.S., companies in Europe have been much slower to adopt them.

Apart from Germany, Britain is Olympia's biggest market in Europe. In the U.K. the editing typewriter market at around £10m. is less than one-third of the manual and electric typewriter market, which reached some £35m. last year. (In volume terms the relationship is even bigger since an editing typewriter costs about 10 times as much as an electric.)

Although the U.K. market for typewriters is contracting in volume terms as a result of the economic recession, the overall switch from manuals to electrics is still continuing. It is estimated that for every two manuals sold, there are three electrics sold. By 1977 the ratio could be one to four.

And the average life cycle of an electric is shorter than the 10-12 years of a manual because of its greater complexity.

The biggest shares in the market apart from Olympia are held by IBM and Office and Electronic Machines (OEM), which sells the Adler and Triumph models and recently bought the dealership for the Imperial models, now being produced in Germany by its parent, Triumph-Adler. IBM has about 25 per cent. and OEM about 30 per cent. of the electrics market. The only other main contender is Olivetti which has an estimated 13 per cent. share.

Checking at Olympia's Wilhelmshaven plant

Intricacies

Olympia is likely to increase its share because it has one of the biggest dealer networks and will be offering an advanced machine at no extra price.

The SGE 60 is only one of the range of 10 typewriters made at the 70,000 sq. metres factory at Wilhelmshaven in northern Germany by the 8,000 employees. The scale of the operation and intricacies of making the products defy the conventional view of the typewriter as a simple machine. There are up to 1,500 separate parts in a typewriter—about half the number in a motor car.

Production and assembly is controlled by computer with programs that give precise completion dates for each major process. Most of the models are for export which are packed straight into containers and Olympia has a resident customs official.

About 2,000 typewriters are produced a day and less than 10 per cent. of the content is bought in. Olympia prides itself on making its own tools, some of which remain trade secrets. For instance, it claims to be the only typewriter manufacturer that makes its own type heads, using an automatic machine that spews them out at the rate of thousands a day. Each letter is formed from a tiny block of steel with 14 tons pressure.

Once the machines have been assembled they are put through rigorous quality tests. Random samples are also taken to test durability—these are attached to an electronic "typist" which pushes the keys for six months round-the-clock testing during which more than 48m. impressions are made.

The full range of products—from portables to electrics—is made at Wilhelmshaven, although a lot of the portable production has been transferred to Belfast. One of the interesting new models, apart from the SGE 60, is the single element typewriter which is motivated by electronic impulses transferred from the keyboard through copper impregnated plastic. This model, the SGE 75, is the typewriter used for Olympia's editing system which has not yet been launched in the U.K.

Although most of the major producers of typewriters have started production of single-element typewriters, the market in Europe has been over-estimated, according to Dr. Orth. He says it could take 10 years before the same penetration is reached as the U.S. where about 70 per cent. of new typewriter sales are single-element.

He has the same guarded optimism about editing typewriters. About 5,000 systems are being sold this year in Europe and Dr. Orth predicts a growth rate of around 20-25 per cent. a year—again quite a modest rate compared with the American pattern.

In looking beyond the immediate future, towards the office of the future, he foresees some exciting changes. Electronic typewriters, with computer memories, will "converse" with each other over telephone links, spewing out information at the rate of 130 characters per second (twenty times faster than present-day typewriters).

Prototypes have already been produced at Olympia, but not yet at economic rates. The company spends about 5 per cent. of its £140m. revenues on research and development, in addition to aid from the German Government.

Only a portion of its revenues are from typewriters for Olympia, also manufactures a full range of office equipment at its other plants. The company has come a long way from the day in June 1945 when five top managers fled the Russians with Olympia's blueprints to set up another factory at Wilhelmshaven. The first typewriter factory was set up by AEG-Telefunken in Erfurt, East Germany, in the early century and one of its first models was an interchangeable typing wheel.

The history came full circle when the Russians recently asked Olympia to set up a factory in Kirovograd in the Soviet Union because its East German supplier could not provide modern technology. That contract will help Olympia break into the black this year despite the downturn in the world markets for typewriters.

Morale boosting—U.S. style

BY ART GARCIA in Portland, Oregon

IT WAS a routine planning meeting for a quartet of executives with Hyster Company, a Portland, Oregon, manufacturer of industrial lift trucks, towing winches, hydraulic cranes and heavy-duty trailers. They were discussing upcoming regional sales meetings when Peter Lewis, sales training manager, said he needed some "showmanship" for the sessions to avoid the usual routine of sales managers quickly making their presentations then just as quickly returning to their seats.

"I went to the blackboard and drew an arrow and then looped it back," recalls Michael Hanson, new product manager. "Pete said that was the idea. Then we started to kick the idea around concerning performance, sales, profits and everything else. It just sort of mushroomed. I guess you could say it was a collective effort, but it really took off." That was nearly a year ago and since that informal planning meeting, more than 70,000 of Hyster's Operation Turnaround buttons with the looping arrow insignia have been distributed to employees, stockholders, customers and dealers, as well as to other companies interested in launching programmes similar to Hyster's.

Happy Hyster employee

Spreading

Thousands of similarly inscribed cards and stickers also have been passed out and pasted on as the Turnaround message began spreading across the U.S. and spilling overseas. The company has been featured in Press articles, on television shows, and even in the Congressional Record. Governors, executives with other companies and airline stewardesses curious about the pins worn by passengers have written for Turnaround buttons or to offer their congratulations on the programmes success. More than 750 employee suggestions on ways to improve Hyster's operations or products or to save money have been submitted in response to the Turnaround campaign.

"The morale-lifting aspects of it have been tremendous. The whole thing is going along extremely well," beams William Kilkenny, Hyster's 56-year-old president and chief executive. He says the poor health of America's economy was the spark behind expansion of the Operation Turnaround concept that sprang from the original planning meeting. "The company has been doing quite well all through this period, but we felt there was a need when everybody was talking about recession and looking at the downside of things for us at Hyster to talk positively about what we could do as a company and as a team," he explains. "The project's whole stress has been the teamwork of the corporation and how we can act with a sense of urgency and make sure that, despite the recession, our operations wouldn't be clouded with gloom as they were at other companies," he says.

"The idea was to take the essence of teamwork," he continues, "the very best efforts of all of us working together expeditiously on problems so we could continue to turn out equipment that gives the consumer the best possible return on his investment—and to do so in a way that Hyster could continue to grow, not only in volume, but profit also." Asked what all the promotional efforts behind Operation Turnaround have cost Hyster, Mr. Kilkenny replies: "Honestly, I think it's saved the company more than it's cost. I can't give you a total figure but the net result has been a saving to the corporation." A stroll through any of Hyster's seven U.S. manufacturing plants of two parts depots uncovers a s[…] Turnaround buttons. "Y[…] out through our plants you'll find practically all o[…] 8,500 U.S. workers we[…] Turnaround buttons and hear them talking about […]around," assures Mr. Kilk[…] "It's very pervasive throu[…] all of our domestic plants[…]

Help

Walk about any of Hy[…] seven overseas manufac[…] facilities and three parts […] and you're likely to see a […]tering of Turnaround bu[…] posters and stickers, too. […] company has 6,000 work[…] its international payroll, […] Mr. Kilkenny points out, […] the programme is aimed i[…]ticular at recession in the […] there's not been as gr[…] degree of emphasis on it […]seas. There's also the lar[…] barrier in our foreign p[…]" he adds. He's been "ext[…] pleased" that so many […] and small U.S. corpo[…] have contacted Hyster abo[…] Turnaround programme, "[…] not promoting it for […] companies. We're doing […] Hyster, but if other com[…] want to use it, we're ha[…] help them," he says.

It takes more than a […] slogan, symbol or manag[…]led cheerleading, of cou[…] improve the operating fo[…] of a corporation doing […] worth of business a year as Hyster logged in 197[…] Operation Turnaround. […]nising the limits of th[…]gramme and its objectiv[…]pears to be working. […] interest shown by employ[…] the words of one Hyster […] "has been beyond e[…]tions." Besides the hundr[…] suggestions that have bee[…] in, Hyster people are a[…] joining in the spirit of […] around: self-imposed prod[…] targets have been met, i[…] and design problems solv[…] ventory reduction goal[…] passed, pilferage reduce[…] expensive and time-cons[…] administrative proc[…] streamlined or eliminated[…]

Rise of the 'high-brow' criminals

BY BOB CREW

THE DEPARTMENT of Trade has issued figures on company malpractices investigated last year which, it says, was a record year, with 158 investigations compared with 93 the year before last. Civil proceedings were brought against company officials who failed to forward returns or accounts to Companies House; £800,000 was recovered from 15 companies. In another case, the Official Receiver recovered £700,000 owing to creditors of one company which had deposited its monies overseas in the name of an individual to avoid making the money available to creditors.

White collar crime is on the increase. In 1970, the Company Fraud Squad of the Metropolitan and City Police (MCP) in London had 39 cases on its books. Last year it had 100 cases and, thus far this year, there are as many people awaiting trial as there were last. White collar crime is that of the business executive, the corporate man, the office secretary and filing clark, or the civil servant. It concerns the misuse of company, client, customer and government moneys, what Al Capone used to call the "legitimate rackets" of the (apparently respectable) "upperworld." Large-scale fraud, embezzlement, forgery, theft and tax evasion are the tools of this kid-glove underworld in the upperworld which, because it has a smooth veneer of respectability to shield it—and because it wields considerable influence—is often difficult to expose or bring within the rule of law.

Difficulties

A highbrow type of crime, sometimes beyond the reach either of lowly criminals or common law men, it poses extra special difficulties for the police. As Detective Chief Superintendent Taylor, a City police officer of the MCP Fraud Squad explains, "The police must be highly discreet and tread much more carefully than usual where crime in the business community is concerned. There are shareholders and policy-holders to consider and police investigations could cause shares to fall or policy-holders to panic. You can't go poking your nose into the affairs of a respectable and important company without being extremely careful."

According to Detective Chief Superintendent Taylor, white collar crimes are becoming more international than they used to be—in the wake of multinational companies and the European Common Market—and this makes it more difficult for the police and governments to keep track of it. Only last month the EEC Executive Commission called upon the Community to strengthen its measures against frauds by improving the system of mutual and immediate exchange of information between member States and the Commission. This appeal came with the news that last year, £2m. was embezzled from the Common Market Farm Fund, of which only £242,000 has been recovered. With an elaborate and complicated system for export rebates and import levies under the community's farm price support policy, there is scope for fraudulent activity on a big scale, and it is estimated that the farm fund could lose £50m. a year in forged vouchers for export refunds and premiums for turning surplus wheat into animal feed.

There are 35 police officers in the City of London and over 100 at Scotland Yard, all of whom are engaged in the fight against white collar crime in London's business community. In the City of London alone, £100m. went missing last year. Detective Chief Superintendent Taylor cites the following examples of the type of crime that he and his men are combating.

A company purchasing officer pays for 2,000 goods received when, in fact, only 1,000 are delivered. The extra money for the 1,000 goods is paid into his private account by the supplier with whom he has done the deal. A new company is set up specifically to buy goods for which it does not intend to pay. It begins respectably enough by placing small orders and paying for them—earning the reputation of being a good customer and generally creating confidence—with a view, ultimately, to getting credit for some really big orders that it has no intention of paying for. Eventually it receives massive supplies of valuable goods which cost it nothing because it disappears when the bill arrives, without trace and without paying—but not before selling the goods at a reduced price and thereby making a handsome financial killing from its "free-gift" delivery.

This kind of crime is known, in the trade, as a long firm fraud because both the firm and the fraud get lost in the dim and distant past. Long firm frauds date back, apparently, to the time when communications and transport (that is stage coaches etc) were so poor that distance and delayed communications gave crooked firms plenty of time to defraud suppliers, cover their tracks and then disappear before their crime surfaced. These days, British long firm fraudsmen do this by importing foreign goods for which they do not pay, while foreign fraudsmen do likewise to British exporters. Some companies specialising in this kind of activity don't even bother to disappear. They simply diversify into a great many product lines paying off early debts with money from more recent frauds.

White collar crime takes many forms. A banker's draft is stolen on the continent and flown to London where the thief cashes it and returns home before the bank from which it is stolen finds out that it is missing.

Cover

A commercial accountant opens accounts in his company's books for clients behind the "iron curtain" who are shown to be in arrears. For as long as they are in arrears the missing company monies are listed in the books as an asset, thereby averting any suspicion as to their whereabouts that would otherwise arise. Only after the accountant disappears does it become clear that the iron curtain client was invented just as a cover for his own speculation.

Company cheque books and bank cards, stolen from offices and individuals, are supplied to teams of young women specially recruited to do a round-robin of the banks, turning over about 50 £30 cheques per week. Young women without previous convictions are favourite for this type of crime because they look innocent and agreeable enough and, if they get caught, they'll get off lightly.

Last year, one young woman cleared £700 on personalised stolen cheque books and bank cards in four days and, I am told, stolen books and cards can very easily be personalised.

With more and more people involved these days in the financial transactions and operations of companies at various levels, cheque book and expense-account power is now widespread throughout the business world. With authority delegated to all levels, more people are getting their fingers into the till and white collar crime is therefore increasing. Internationally, with more companies and countries enga[…] financial transactions, […] people are involved in th[…] trol of those purse string[…] more money is conseq[…] disappearing. A new kit[…] been created in which […] fiddles, rake-offs, oversigh[…] crimes are a regular fea[…]

Women have made a ma[…] the traditionally male pr[…] of white collar crime in […] way. In Chicago, a middl[…] executive lady called Gra[…] herself arrested and prose[…] for embezzling $106,000 […] white collar worker with a[…] equipment-supply compan[…] climbed the male-domi[…] executive ladder to the heights of a senior post a[…] chasing officer on a $1[…] salary. She fraudulently […] her employers' monies vi[…] bank accounts of fictional […]panies, which she create[…] the purpose.

A new book, publishe[…] America by McGraw Hill entitled Sisters in Crime: Rise of the New Fe[…] Criminal, deals with wo[…] role in crime. Written […] Dr. Freda Adler, who te[…] judges at New Jersey's Ru[…] University, it points out th[…] men can do it—fiddling […] expenses, cooking the b[…] masterminding crime—so, […] half a chance, can women. […] with more women risin[…] positions of executive pow[…] the modern business w[…] many of them are being […] into the same positions of […] as men.

As yet British women do[…] figure much in white-c[…] crime. But there are two wo[…] police officers at Scotland […] and one in the City of Lo[…] working with the comp[…] fraud squads. With more wo[…] in responsible positions, C[…] Detective Superintendent Ta[…] concedes, he will probably […] to recruit more women to […] ranks.

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LABOUR NEWS

Urgent moves for inquiry on furnacemen's dispute

BY OUR LABOUR REPORTER

URGENT MOVES will start to-day to set up a public inquiry into the blastfurnacemen's dispute at the Llanwern steel plant which threatened widespread disruption of British Steel Corporation production.

Friday's agreement on the inquiry was followed by a resumption of normal working at the week-end by the 4,000 blastfurnacemen at Llanwern, Scunthorpe and South Teesside who stopped work last week in advance of the official national strike which was due to start yesterday.

Although the turnout at Llanwern on Saturday was not large enough to restart iron production, the situation had improved sufficiently yesterday to restart the single blastfurnace working at the plant. Steel production will resume to-day. Generally, BSC should be back to pre-dispute production levels by the end of this week.

The Advisory Conciliation and Arbitration Service, which played a major role in securing Friday's agreement, will suggest nominees for the inquiry in the next day or two. BSC and the National Union of Blastfurnacemen are expected to select one nominee each to sit beside an independent chairman.

As soon as the inquiry has reported, the two sides will reopen negotiations on the basis of its recommendation on payments for operating the controversial £65m. blastfurnace at Llanwern. Commissioning of the new furnace will be delayed.

The BSC, which has said that the inquiry agreement "buys time," will argue strongly against improving its offer of immediate £10.31 a week top rises for men working the furnace. The inquiry will be told that to do so would disrupt pay structures at Llanwern and have "spin-off" effects at other plants due for technological change.

Fearing it might face similar disputes at these works, BSC is anxious that the inquiry should produce suggestions on how to avoid repeating the Llanwern situation.

Editorial Comment, Page 10

Unions stepping up move to modify P.O. order cuts

BY OUR LABOUR REPORTER

UNION PRESSURE on the government to reduce drastic cuts in the Post Office's proposed equipment ordering programme will be stepped up this week following Plessey Telecommunications's announcement of plans to cut 2,000 jobs.

Coming so soon after GEC disclosed plans to make 4,800 workers redundant over the next year, unions are seriously alarmed at forecasts that the possible 40 per cent. drop in the P.O.'s ordering programme could mean between 12,000 and 15,000 redundancies in the telecommunications industry.

The bulk of the proposed redundancies at Plessey will hit plants at Liverpool and Beeston and union leaders from both areas want to impress on the Government the serious local consequences of the trimming of the two labour forces.

On Merseyside, where more than 950 jobs are due to be axed, local MPs and union officials have arranged a meeting for this *Friday* with Mr. Gregor MacKenzie, Industry Under-Secretary.

Meanwhile, at Beeston, where there will be 500 redundancies and 1,500 workers put on short-time, local union officials are asking the company to produce *details of the present and projected order-book position, and details of research and development activities.*

Labour row on hotel expenses

BACK-UP SERVICES *at next week's Labour Party conference* face serious disruption because of a *threatened revolt by Transport* House staff over proposals for economies.

Staff representatives will today tell Mr. Ron Hayward, the Labour Party general secretary, that about 30 people, researchers, press officers and typists will refuse to attend the conference if he goes ahead with a plan to cut their allowances.

Mr. Hayward had asked the staff to accept a reduction in their out of pocket expenses from the usual 50 per cent. of their hotel bills to a flat rate £20 each.

NALGO tougher over pay beds

BY OUR LABOUR REPORTER

BRITAIN'S largest white-collar union, the National and Local Government Officers Association, has launched a campaign for the abolition of private medical practice both inside and outside the National Health Service.

On the decision of its national executive, NALGO has become one of the first trade unions to give formal support to the Medical Committee against Private Practice, a co-ordinating group created a few years abo by individual union members and Health Service workers.

While many unions are totally opposed to private practice in any *form*, their strategy has been to press for Government action to remove private treatments from the NHS.

Some union leaders were privately critical of NALGO's tactics yesterday fearing that it might upset gains made from the recent publication by the Government of a consultative document on separating private practice from NHS hospitals

NALGO is to press Mrs. Barbara Castle, Social Services Secretary, to accept its view that total abolition of private practice is "essential to the continuance of a system of State care and the ending of abuses by the private sector."

The 542,000-member union wants all existing hospitals and clinics together with those now being built or planned to be taken into public ownership. It says there should also be "public control" of the pharmaceutical industry to end alleged duplication of research, overcharging on drugs and wasteful advertising.

In addition, NALGO wants the Government's consultative document proposals toughened to prevent the use of NHS staff in the treatment of private patients. NALGO claims that private care concentrates on "more profitable short-stay medicine and surgery, leaving expensive and involved treatment to the NHS."

● Flexible retirement at 60 for both men and women, equal occupational pension benefits and a right to abortion, were called for at a NALGO conference on sex discrimination at the week-end.

'Sealife' plan to probe six problem areas

FURTHER PROGRESS on the "Sealife" programme, which is aimed at making life more attractive for seamen are announced to-day by the General Council of British Shipping.

Six problem areas are to be investigated by a steering group, comprising representatives of the seafaring unions, the council, two shipping companies and the Department of Trade.

The projects starting this year include several study voyages

Money supply figures up again but rate lags behind inflation

BY MICHAEL BLANDEN

MONEY SUPPLY increased sharply in the month to mid-August on the wider definition (M3). This renewed jump is in sharp contrast with the recent slowly rising trend in the figures.

Nevertheless, on the narrower definition (M1) the growth has slowed down. And the signs are that making allowance for the erratic month-to-month movements in the figures the money supply has continued to increase at rates significantly below the current rate of price inflation.

Taking the latest three months together, M3 has increased by 2½ per cent, while M1 has shown a rise of about 4¼ per cent. And over the 12 months to mid-August M3 has increased by 9 per cent. and M1 by 18 per cent.

Bank credit

The Bank of England pointed out in its Quarterly Bulletin last week that the rise in the money stock has been kept below the increase in money national income as a result of its success in selling gilt-edged securities, the contribution made to meeting the Government's borrowing requirement made by external transactions and the low level of private sector demand for bank credit.

This last factor continued to be in evidence during the five-week period to mid-August. The banks continued to enjoy a substantial inflow of deposits; sterling sight deposits from outside the banking system rose by 377m., including a temporary increase of some £250m. in public sector accounts mainly representing tax funds on their way to the Exchequer.

Overall, it is estimated that domestic sterling deposits, excluding transactions within the banking sector and allowing for seasonal influences, rose by some £700m. during the month. Against this, there was a fall of £228m. in sterling advances by the banks; and on the adjusted basis it is estimated that sterling lending to the private sector rose by a modest £90m.

Though this contrasts with a £50m. fall in the previous month, the Bank comments: "There is little evidence to suggest that there has been any upturn in the underlying demand for bank credit."

In this situation, the banks have again increased their more liquid assets substantially, and reduced their reliance on wholesale money market funds. The high level of liquidity in the banking system provides part of the background to the recent large applications for Treasury bills at the weekly tenders, and to last week's announcement of a new £400m. short-dated gilt-edged stock issue designed to mop up some of these funds.

In its Bulletin the Bank appeared satisfied with the recent performance of the money supply, in relation to current inflation rates. It indicated, however, that with the current high liquidity in the system it was concerned at the possibility that a revival of private sector demand for bank credit could bring a new upsurge in money supply at a time when inflation was being cut by the Government's policies, unless the Government itself reduced its demands on the system.

In the August period, the rise in sterling lending to the public sector was much bigger than to the private sector, at £480m. The Central Government borrowing requirement was again substantial and, after seasonal adjustment, larger than in the previous month. The Bank points out that though the authorities sold very large amounts of gilt-edged securities in the market, these sales were partially offset by the redemption of 3 per cent. Savings Bonds 1965-75.

During the month, M3 showed a rise of £867m. after seasonal adjustment, or 2.3 per cent., after the small increase in the previous two months. M1, however, rose only £227m. or 1.5 per cent. compared with an increase of 2.5 per cent. in the previous month.

Drink 'causes work mishaps'

TRADE UNIONS and employers were urged yesterday to help stamp out the number of accidents at work caused by drink. A survey by the National Council on Alcoholism showed that 10 per cent. "were certain that their drinking had been responsible for an accident at work."

Of the 300 interviewed, another 32 per cent. considered that their drinking might have caused an accident. The council is staging a special conference for industry on Thursday to look at the problem of drinking at work and in the community.

EEK'S FINANCIAL DIARY

The following is a record of the principal business and financial agements during the week. The Board meetings are mainly the purpose of considering dividends and official indications are always available whether dividends concerned are interims or ls. The sub-divisions shown below are based mainly on last 's timetable.

TO-DAY

MPANY MEETINGS—
on (Wm.). Hull. 11.
ison (George). Shipley. West York-. 12.
.. 321. Chase Road. N., 4.
child Investment Trust. New Court. Swithin's Lane. E.C., 11.30
rn Board Mills. Cardiff. 12.

ARD MEETINGS—
als:
Electronic
ess Services
Marsters
r Knoll
terims:
and Edgington
er McConnell
Sussex Eng.
(John)
and Bonar
r and Jackson Intl.
ry Contracting

VIDEND & INTEREST PAYMENTS—
cultural Mortgage 14½pc Bds. Red. 3.79. 7¼pc.
ford 6½pc Bds. Red. 23.3.77. 3¼pc.
way Secs. A Ord., 0.5832p.
Stockholders Inv. Tst. Ord. and New 0.125p
ic and General Tst., 0.67p
ston 6½pc Bds. Red. 23.3.77. 3¼pc.
s Patents. 1p
m (Wm.). 1.6126p
ond 7½pc Bds. Red. 22.9.76. 3¾pc.
e. 3.15p
de 6½pc Bds. Red. 23.3.77. 3¼pc.

TO-MORROW

MPANY MEETINGS—
r Industries. Dudley. 12.
(H.J.). Hayes. Middlesex. 12.30
s. Ossett. 12.30.
orth. Morris. Shipley. 12.
g. Connaught Rooms. W.C., 11.30.

ARD MEETINGS—
ls:
amated Inv. and Prop.
Packaging
(John)
s (George H.)
t (Harry)
rims:
k Timpo
Estate
and English Stores
rs
e (Robert) (Middleton)
ax
ld
rs' Law Stationery
w (G. W.)
Newspapers

IDEND & INTEREST PAYMENTS—
Water 3.5pc (fmly. 5pc) Cons. Ord. 1.75pc. Do. 3.5pc (fmly. 5pc) Ord. stk., 1.75pc.
ch (B.F.). 28cts
rton. 33cts.
Bros. and E.S.A., 2.43140625p.
(J.) Ln. stk., 3½pc.
hild Inv. Tst., 6.825p
Deb. stk., 5½pc.
Riley Drummond. 0.575p.
n Board Mills. 1.86p.

WEDNESDAY, SEPTEMBER 24

PANY MEETINGS—
an (K.O.) International. Manr. 12.
(G.) Manchester. 12.
Metals. Cardiff. 12.30.
(Furnishers). Morden. Surrey. 11.
International. 66, Portland Place. 12.
ster. May Fair Hotel. W., 12.15
Trust. 25, Milk Street. E.C. 1.
nternational. Abercorn Rooms. E.C..
Mills. Leicester. 12.
Carpets Manchester. 12.
Dominions Trust. 14, St. Mary E.C., 12.

RD MEETINGS—
s:
(Assam) Tea
orton Secured Growth Tst.
ims:
Hldgs.
Vita
Oil
Minsep
and Horton
Inds.
ee Mackintosh
n Constructions
(C. and W.)
Carpets

DEND & INTEREST PAYMENTS—
and Gibbon. 0.875p.
3¼pc Bds. Red. 24.9.75. £6.8428.
ry 13¼pc Bds. Red. 24.9.75. 28.
toke 13¼pc Bds. Red. 24.9.75. 28.
13¼pc Bds. Red. 24.9.75. £6.8428.
Tea. 3.7535p.
rne 13¼pc Bds. Red. 24.9.75. 28.
e Corp., 70cts.
Metals. 2.01p.
13¼pc Bds. Red. 24.9.75. £6.8428.
13¼pc Bds. Red. 24.9.75. 28.
ire 13¼pc Bds. Red. 24.9.75. 28.
13¼pc Bds. Red. 24.9.75. 28.
3¼pc Bds. Red. 24.9.75. £6.8428.
Kilgour. 1.08p.
Tea. 6.5045p.
well and Wishaw 13¼pc Bds. Red. 5, £6.8428.
h 13¼pc Bds. Red. 24.9.75. 28.
stk., 4½pc.
13¼pc Bds. Red. 24.9.75. £6.8428.
13¼pc Bds. Red. 24.9.75. 28.
Inds. Ln. stk., 3¼pc.
dge 13¼pc Bds. Red. 24.9.75. 28.
Deane 13¼pc Bds. Red. 24.9.75. 28.
Splisbult Metal. 1.65462p.
ld 13¼pc Bds. Red. 24.9.75. 28.
orth 13¼pc Bds. Red. 24.9.75. 28.

THURSDAY, SEPTEMBER 25

PANY MEETINGS—
nvestment Trust. Glasgow. 12.30.
(Malleable Castings). Leeds.
ulton. Connaught Rooms, W.C., 12.
Group. Surbiton. 12.
House. Connaught Rooms. W.C.
Waldorf Hotel. W.C., 12.
Hounslow. Middlesex. 2.30.
Properties. Athenaeum Hotel. W.
Investment Trust. 41, Bishops- E.C., 2.45
Tenens Swindon. 11.15.
and Wright. Leeds. 12.
and Universal Investments. Glas- 2.
English and European Textiles. rgh. 12.30.
gar Estates. Connaught Rooms, 12.30.
(F.H.). Great Barr. 12.

D MEETINGS—
ms:
dgs.

Anglo American Corp. of S. Africa
Brooks Watson
Brown and Jackson
Delta Metal
Finlay Packaging
Hall Eng.
Ibstock Johnsen
Kleinwort Benson
Matthews (Bernard)
Metal Closures
Owen Owen
Ozalid
Pearson Longman
Perry (Harold) Motors
Ransomes Sims and Jefferies
Refuge Assurance
Rotaflex (G.B.)
Scottish Agricultural Inds.
Tenby Minerals
Telephone and Gen. Tst.
Whatman Reeve Angel
Wills (George)

DIVIDEND & INTEREST PAYMENTS—
Assoc. British Foods Ln. stks., 2¼, 3¼pc (1987-2002).
Barker and Dobson Ln. stk., 5¼pc.
Beardman (K.O.) Intl., 0.40315p.
Brotherhood (Peter). 4.0625p.
Cavenham Ln. stks., 4¼, 5¼, 5 (91-96) and 5pc Prty. Cnv. (91-96)
Chesebrough-Pond's Inc., 34cts.
Dobson Park Inds. 0.631p.
Dunford and Elliot Db. stks. 2½ and 3½pc. Do. Ln. stks., 4¼, 4½, 6, 4¼ and 6¼pc
Franklin Mint Corp., 12.5cts.
Hanson Tst. Ln. stk., 3¼pc.
Intereuropean Prop. Hldgs. Deb. stk. 5pc.
LRC Intl. 1.15p.
Manchester Mortgage Corp. 7¼pc Gtd. Red. 1979. 3¾pc.
Norton and Wright. 2.128p.
Russells Gravesend Brew. 6pc Prf., 2.1pc.
Stanhope Gen. Inv. 6½pc Prf., 2.275pc.
Wellingborough 13¼pc Bds. Red. 29.9.78. 6¾pc.
Williamson Tea. 4.5045p.

FRIDAY, SEPTEMBER 26

COMPANY MEETINGS—
Avana, Cardiff. 12.
Bevan (D.F.). Edgbaston. 12.15.
Broxlea. Great Eastern Hotel, E.C. 12.
Cavenham, Connaught Rooms, W.C., 11.
Cawoods. Harrogate. 12.
Dyson (J. and J.), Sheffield. 12.
Fitch Lovell. Connaught Rooms, W.C., 12
Hallite. Walton-on-Thames. 12.15.
Houchin, Ashford. 10.
Investment Co., New Malden. Surrey. 12.
Ratcliffe (F.S.) Industries. Rochdale. 12.
Smith (David S.). Kingsley Hotel. W.C. 12.
Sommerville (William). Milton Bridge. 2.30.
Washington Investment. 11, Austin Friars, E.C. 10.
Woodward (H.). Liverpool. 3.

BOARD MEETINGS—
Finals:
Prestwich Parker
Interims:
Allied Polymer
Bourne and Hollingsworth
Belgin (A. F.)
Home Counties Newspapers
Lane (Percy)
Lyle Shipping
Marshall Cavendish
North British Canadian Inv.
Royal Sovereign

DIVIDEND & INTEREST PAYMENTS—
Abercom Invs. Ord., 18cts.
Agricultural Mortgage 14½pc Deb. stk. 1984, 7¼pc.
Ailsa Inv., 2.05429p.
Allied Brews., 1.015p.
Alnwick 11¼pc Bds. Red 31.3.76. 5⅝pc.
Armitage Shanks Ln. stk., 5pc.
Assam Trading A stk., 2.6p.
BCA, 0.56p
Blackman and Conrad. 0.625p.
Blundell-Permoglaze. 0.67p.
Braithwaite Engineers 7½pc Prf., 2.625pc.
British Electricity 4¼pc Gtd. stk. 74-79. 2⅛pc.
Burt Boulton. 6.36p.
Cardiff 11¼pcBds. Red. 31.3.75 5⅝pc
Cheltenham 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Colmore Invs., 0.315p.
Comm. Banking of Sydney. 3.9321p.
Cumbernauld 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Cynon 11¼pc Bds. Red. 31.3.76. 5⅝pc.
East Surrey Water 9pcPf. £1.47
Do. 6.3pc (fmly. 9pc)Pf. 3.15pc
Eastleigh 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Fitch Lovell. 1.9554p.
Forminster. 1.857375p.
Foxboro. 20cts.
Gravesham 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Greater London 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Halton 11¼pc Bds. Red. 31.3.76, 5⅝pc.
Hambro Tst., 1.1p.
Hawick 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Ind. Investment Tst., 0.9p.
Lanarkshire 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Law Debenture Corp., 1p.
Leslie and Godwin. 1.166866p.
Liverpool 11¼pc Bds. Red. 31.3.76. 5⅝pc
Medina 11¼pc Bds. Red. 31.3.76. 5⅝pc.
New Witwatersrand Gold Expl., 8.60403p.
Newcastle-under-Lyme 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Newham 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Peldayne. 0.138p.
Pfizer 1pc 19 cts.
Preedy (Alfred). 1.139p.
Primrose Ind. Hldgs., 14 cts.
Rubislaw Inv. Tst. 0.75p
Salford 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Scottish and Universal Invs., 2.6059475p.
Securicor Ord and A (N.V.), 0.361966p.
Do. 6½pc Ptg. Prf., 3.1086pc.
Security Services Ord. and A (N.V.), 0.814382p.
Sommerville (Wm.), 1.576p.
South Northamptonshire 11¼pc Bds. Red. 31.3.76, 5⅝pc.
Staffordshire 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Thanet 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Treasury stk. 11¼pc 1977. 5⅝pc.
Universal Oil Products. 22.5cts.
Vale of White Horse 11¼pc Bds. Red. 31.3.76. 5⅝pc.
Woodward (H.), 0.4p.
York Waterworks Cons. Ord. stk. 4.9pc (fmly. 7pc max.), 2.45pc. Do. 3.5pc (fmly. 5pc) (max. div.) Ord. stk., 1.75pc. Do. 3.15pc (fmly. 4½pc) Red. Prf. stk. 75-78, 1.575pc. Do. 4.2pc (fmly. 6pc) Red. Prf. stk. 83-84. 2.1pc. Do. Cons Pf. stk. 4.2pc (fmly. 6pc), 2.1pc

SATURDAY, SEPTEMBER 27

DIVIDEND & INTEREST PAYMENTS—
Brawlea. 0.7p.
Charter Cons. Ln. stk., 3½pc.
Mersey Docks and Harbour Deb. stks., 1½ (79-89), 1½, 2½ (80-82), 3¼ (Sept. '76), 3½ 4 (Sept. '77), 4½pc and 2¼ (Sept. '75). 3½pc.
Norwich 8½pc Bds. Red. 21.9.77. 4¼pc.
Ratcliffe (F.S.). 3.243p.
Scottish Life Assurance Ln. stk. 3⅛pc.
Stocks (Joseph). 2.25p
Washington Inv., 0.85p.

SUNDAY, SEPTEMBER 28

DIVIDEND & INTEREST PAYMENTS—
Assoc. British Foods Ln. stk. 3¼pc (1996-2004).

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

Computer on a chip will grow fast

SALES of microcomputers in West Europe, at a mere £5m. last year, will "explode" 60-fold to become a £307m. market by 1984, according to a study by Frost and Sullivan.

Deliveries of associated microprocessor equipment will reach £50m. in 1978, £100m. in 1980, £200m. in 1982, exceed £300m. by 1984 and give a total of £1,202m. over the decade.

A programmable high-density electronic logic component which, when allied to memory and other circuits becomes a compact and very inexpensive microcomputer, will have a greater impact upon the computer, electronic equipment and control industries than any preceding single innovation," the study asserts.

Britain, France and Germany will account for the bulk—two-thirds of the total—of West European microprocessor use during the next ten years. Other significant markets will be Italy (9 per cent.), Scandinavia (7 per cent.) and the Netherlands (5 per cent.).

Frost and Sullivan's two-volume 584-page study evaluates industrial and commercial applications for microprocessor equipment and finds the biggest European markets to be in industrial control with sales of £343m. over the next decade. Production-control applications will predominate and microprocessors will replace existing hard-wired controllers.

Data collection, entry and communications will take £366m.-worth of microprocessors over the period, while in calculators, processors and peripheral unit controllers, sales will reach a total of £244m. by 1984.

This currently very immature market is dominated by U.S. designs, although the first European and Japanese units are now becoming available and very many new products are being developed and offered.

Both an opportunity and a competitive challenge to existing computer suppliers, microprocessors offer inexpensive intelligence which may be incorporated into existing types of equipment to provide lower costs, improved operational flexibility and ease of use.

Their advent also introduces the semi-conductor component manufacturers as potential direct suppliers of computing elements and enables original equipment manufacturers or other independent houses to by-pass the traditional computer companies and develop their own custom processors or complete computer systems, the report points out.

Further details from BAS Industrial Consultants, Mile Ash, Radlett, Herts, WD7 7LT. Radlett 6376.

● MACHINE TOOLS

Accurate indexing tables

MANUALLY operated indexing tables stated to be accurate to five seconds of arc (non-cumulative error) are available from Unimatic Engineers, 122 Granville Road, Cricklewood, London NW2 (01-455 0012).

Called Balldex, the tables are made by Shimpo, Kyoto, Japan. They have an edge scale and "T" slots. Table flatness is 0.02mm. In 200 and 315 mm diameters, they provide 48 and 72 indexing positions, indexing at minimum angles of 7½ and 5 deg., with maximum loads of 750 and 1,200 mm.

The tables have two annular grooves, one in the underside of the table and one in the base, which are filled with steel ball bearings (stated to be accurate to three microns—improving with use). The table is unclamped with a side lever, moved into position, and reclamped with the lever, locking the double row of balls together.

Improved twin chuck lathe

AVAILABLE FROM Adam Machine Equipment is the latest version of the German-built Lorch 160-twin spindle vertical automatic chucking lathe. It has undergone partial redesign to improve accessibility and to permit greater rates of stock removal.

For automatic and semi-automatic turning to a high order of accuracy, the machine is, in effect, two lathes in one. Each is capable of working independently from the other; yet they share a common base and a single operator can, from a sitting position, maintain a close watch on both turning operations at the same time.

Twin control panels are now mounted above and outboard of the twin slideways. Twin plugboard matrices have been incorporated in a control console, free standing beside the machine, again in full view of the operator. The console houses all control function electronics and allows the operator to see at a glance at which stage in the machining cycle each lathe has reached. This is shown by visual indicators positioned above each of the 20 channels in either of the two 20 function matrices.

To cater for higher stock removal rates the spindle motor rating is 7.5 kW, and multiple vee belts are fitted.

The importer is at Luton Road, Harpenden, Herts., AL5 3DA (05827 62423).

● PROCESSING

Makes self-adhesive paper

KELLY LABEL Machine Company has been appointed U.K. and Irish agents for the Litsch and Stuffmann range of coating machines. The machines enable label convertors to produce their own self-adhesive paper.

Any firm using 1m. square metres per annum would, it is claimed, be able to recover their initial capital costs in less than two years, in addition to being independent of raw material suppliers. A further advantage is that it would not be necessary to purchase full-size master rolls as slitting heads can be supplied enabling the stock to be supplied slit to size.

The machine is supplied in five different widths from 300 to 1300 mm.

Fundamental concept of this system of coating is the use of "hot-melt" gluing. The glue is fed from a thermostatically controlled tank and applied by a series on nozzles from the application head to the coated paper fed from the main unwind unit. These nozzles can be adjusted to vary the application of glue from 10 to 200 grams per square metre.

A second unwind unit carries the silicon paper to a laminating station where the two reels are joined and produce the laminated material. From there the material is rewound by a unit using an electro-mechanical braking system. A sheeting device can be supplied to give flat sheets instead of reels. Running speeds vary from 5 to 80 metres per minute.

The coater is suitable for pvc, polyethylene, rubber and transparent foil, cardboard, tape etc.

Imported from Germany, the agent is at Unit 1, Cranleigh Gardens, Lady Margaret Road, Southall, Middx., UB1 1BR (01-571 1862).

● HEATING

Triple fuel fluid bed burner

THE ENERGY Equipment Company has introduced what is believed to be the first ever triple-fuel burner for shell-type boilers. Based on the fluidised-bed principle, it can burn with equal facility and without loss of performance gas, or the cheapest grades of coal and oil, and can accommodate different grades without major adjustments, it is claimed.

Fired with coal, the burner gives an evaporative response rate to change of load almost equal to those for oil and gas-fired units. Pick-up time from standby can be less than ten minutes, and the exhaust gases are exceptionally clean.

The burner has been designed for use with standard shell-type boilers having either single or twin furnaces ranging in diameter from 2 ft. 6in. to 4 ft. For twin-furnace boilers, two separate burners are recommended.

There are few moving parts, so maintenance is reduced to a minimum. There are no fire bars to burn out, and the company says trials have shown that the air distributor commensurate in cost with conventional fire bars has a life expectancy of up to three years. Almost any grade of coal up to 1 in. screen can be used, including slack.

Similarly, heavy hydrocarbon oils and sludges can be burnt by slightly preheating them and then feeding them into the bed via the submerged injectors.

The company is at Hockliffe Street, Leighton Buzzard, Beds. LU7 8HE (052-53 78373).

When this 15-metre bowl antenna goes into service in mid-1977 it will help to produce more accurate weather forecasts. By that time the European Space Agency's weather satellite "Meteosat" should be in a synchronous orbit 36,000 km over the equator, from where it will take photographs of the area bounded by Northern Europe, the Atlantic and the Indian Ocean every 30 minutes and transmit them to the main ground station in Michelstadt, 50 km south of Frankfurt. As the main contractor, Siemens is currently erecting the ground-station antenna and is also developing the on-board transmission equipment for the satellite.

● BUILDING TECHNOLOGY

Cement know-how on offer

CBR, one of Europe's largest cement manufacturers, supplying half the annual needs of the Netherlands and of its home country, Belgium, is offering a comprehensive know-how and design service abroad.

The group has its own laboratories and research centres and the CBR technical design department is an important organisation within the company since it is entrusted with the task of setting up plant to produce cements and manufactured products, according to the latest technology available, and following each development through till production lines are up and running satisfactorily.

Company knowhow also covers extensive knowledge of, and research on basic raw materials of the industry and extends into technologies like prestressing of structural members for bridges and various industrial buildings, taking in such specialist work as the manufacture and anchoring of prestressing cables.

CBR is prepared to assess projects for their viability and help to carry them through to the point of offering temporary management services while staff at a new plant are learning the job.

CBR, chaussee de la Hulpe 185, 1170 Brussels, Belgium for further details.

Doubt about calcium chloride

USE OF calcium chloride as an admixture in cement has been causing concern in the building industry for some time, since the discovery of defects in a number of structures attributed to excessive amounts of this material. It is used generally for mixing in frosty conditions on site.

Questions have been asked in the House of Commons and one report says that the Government's own Property Services Agency (PSA) has investigated seven buildings in the past 22 months and in six cases calcium chloride was considered the principal cause of corrosion.

It has been suggested that the use of calcium chloride in structural concrete should be banned entirely and that the relevant British Standard Code of Practice, CP 110 "The structural use of concrete" should be suitably amended. The committee concerned has been unable to reach a unanimous view on the subject since there is an equally strong opinion which maintains that the problem could be solved by the addition of more rigorous clauses on the control of the quality of the concrete.

In view of this stalemate BSI has decided that it is necessary to circulate the amendment for public comment and a meeting will be called for later this year to decide the form in which the clauses are to be sent out.

Instant homes in Scotland

INSTANT housing — or a very near approach to it—has been achieved at Hatton Village, Aberdeenshire, where a pair of houses was erected in a few days by Mears, Scotland, operating from Prestwick and Peterhead.

They are the first examples of a new British development in prefabrication specially commissioned by Mears to meet the high demand for housing on the east coast of Scotland, and accentuated by the shortage and high cost of skilled labour.

Chartered architects for the system are J. Lock-Necrews Hill and Associates, Cardiff and Peterhead.

Prefabricated by William Cowlin (Joinery) Bristol, the houses do not require a structural frame as they are built of load-bearing panels. The height of these is the only fixed dimension, which allows virtually any plan form to be followed.

Panel sizes have also been designed for easy off-loading, handling, and erection, using a small crane and as few as four men.

Steelwork design speed-up

BOURNE STEEL, structural steelwork specialist, is using computing techniques to produce more economic designs for steel structures quickly and accurately.

A terminal installed at the company's Parkstone offices gives access to a design program evolved by Baric in which basic dimensions, stress and load factors and other data such as prevailing wind and temperature conditions can be accounted for in tests of the various design options. The most economical choice is then made and details of the selected design pattern are fed back via the same terminal.

Control of a big contract

COMPLETE suites of computer accounting systems, designed specifically to cover a £100m. tanker harbour construction project in Algeria, have been developed by CMG Computer Management Group.

The project, set up as a turn-key operation by CMG's West German subsidiary in Frankfurt, has been carried out for the international German firm of contractors, Philipp Holzmann AG.

Holzmann is to build the methane tanker harbour at Arzew, Algeria, in conjunction with a Dutch and Algerian firm. The project will take 4 years and will cost some DM550m.

Over 30,000 different articles and materials used in the project will be accounted for using the computer system devel... by CMG. Additionally CM... implementing a comprehe... computer payroll system c... ing the 2,500 people who wi... working on the project. ... complete integrated accou... system and payroll suite h... take into account both Ge... and Algerian regulations.

Material is re-assessed

IT WAS announced last we... Rohm and Haas that the ... ment Board has issued a ... certificate (No. 75/288) re... to the application of O... acrylic sheet for external ve... glazing purposes.

The report has been issue... lowing technical investig... dealing with fire character... plus factory inspections to ... quality control. Existing ... were surveyed and visits m... sites where the material ... use.

Window code

THE Aluminium Window ... ciation and the branch ... Association which deals wi... manufacturing and fitting ... placement windows and ... has drawn up a Code of P... for its members.

It covers the wording of ... contracts and lays dow... cedures. The Association ... independent body set up ... industry to establish and ... tain high standards in ... manufacture and installati... also backs programme ... research and development.

Members have to gua... their products in terms ... correct functioning of ... ponents for at least 5 yea...

Aluminium curtain walling

ARCHITECTURAL met... specialist Grundy Arn... Hampton Wick has recentl... pleted an unusual £350,0... tract in North London on ... Cross House: a 15-storey ... block with an adjacent p... block.

Grundy Arnatt was nom... to supply and fix an alu... curtain wall system incorp... a number of specific ... requirements. Among the ... the need to provide for i... heating units around th... meter of the curtain wa... integral external cradle gu... the mullions.

In addition to the curtai... the company provided a ... glazing, revolving door ... louvre banks for the ... rooms, ground-floor-screen ... doors, fixtures for heatin... air conditioning, and eve... main reception area des... accessories—a complete pa...

Work began on the proj... July, 1973 and Grundy ... maintained a site team sp... ally allocated to work wi... main contractor, Sir R... McAlpine and Company, a... architects so that all tec... queries could be dealt ... immediately.

● COMMUNICATIONS

Glass fibres carry the message

STATEMENTS MADE at the recent Institution of Electrical Engineers conference on optical fibre communications indicate that the first U.K. civil field trial installation cannot be far away and military ones have already taken place.

After a ten year gestation period systems have been engineered close to the production stage and in the case of single strand and multi-fibre "cables," pilot production facilities now exist.

Standard Telecommunication Laboratories, which revealed the first U.K. work at Harlow in 1966, seems to have progressed farthest in ability to make suitable fibre. For example, in the production of ultra pure glass where, to avoid unacceptable light attentuation, metal ion concentration must not exceed one part in a million, the laboratory has developed radio frequency heating of the melt with water cooling of the crucible.

The fining and homogenising takes place with a layer of cool unreacted material between melt and crucible so that the latter cannot contaminate the glass. Concentric crucible pulling produces cored fibres with loss less than 25 dB/km.

For really low loss, however, silica, in spite of its brittleness problem, remains the best prospect and STL says that it has recently set up to make such fibres "on a large scale." The method is to vapour deposit a dopant (titania or alumina for example) with silica on to the inside surface of pure silica tubing which is subsequently collapsed into a rod and pulled down into a fibre which will then have a doped, that is, high refractive index core.

Fibre attenuations well below 5 dB/km in lengths exceeding 1 km have now been achieved in several parts of the world. Continuous lengths of up to 3 km are made at STC/STL and polyethylene sheathed cable with eight silica fibres (which could carry 10,000 conversations) can be made in ½ km lengths. By next year STC plans to make single fibre at 500 km/week, and says it is now "actively marketing."

Similar facilities are being built up at BICC, where Corning fibre from the U.S. is being used under an agreement recently announced. BICC is working with Plessey (the latter contributing device and system ability). Six and two-fibre cables are being made and the latter has been tested in ducts at Taplow carrying video and 8 Mb/s signals.

In the device area, gallium arsenide or its derivatives is the commonest light source material and pulsed room temperature lasers with 10Mb/s rates are at pilot production stage. But lifetimes do not often exceed 10,000 hours and lower power non-coherent diodes are also being developed.

For detection the silicon avalanche photodiode with its high speed and high sensitivity is widely used in prototype systems but it is temperature sensitive and compensation over wide ranges is difficult.

But these, and the problems of launching and fibre joining are rapidly being overcome, and Plessey/BICC have been bold enough to state that the technology "needed to implement the first telecommunications systems is available in the U.K." In addition the Post Office has stated that signals can now be transmitted over fibre for a greater distance than over cable before it becomes necessary to reboost the signal. At a recent London demonstration two systems were shown able to send 120 phone calls at once over 4km. of single fibre, and 2,000 calls over 1km., both without intermediate amplification.

So far as the Post Office is concerned there is scope for fibre systems wherever the cost of providing needed additional channel capacity is less than any alternative. Savings would have to be made in the number of repeaters since the P.O sees cabling costs as "at worst no greater than alternative metal cables."

It is very likely that the first applications will be non-public and will make use of specific attributes of fibre. For example, it cannot be tapped in any known way and so is totally secure.

It suffers from zero electromagnetic pick-up, so that railways and electricity generating bodies are showing some interest. Its size and weight are small, and there are already applications in aerospace for data distribution. In shipborne applications the metal mass of the hull is of no consequence.

With 140 Mb/s developed to prototype hardware stage, data processing applications may well, as usual, be among the first.

GEOFFREY CHARLISH

● ELECTRONICS

Conductors too fine to see

AT THE Mullard Research Laboratories, preferential etching of silicon has been used to make invisibly thin lines for inter-connections and transistor gates: no special apparatus is required to incorporate the lines in transistors and integrated circuits.

Using conventional methods, line widths in integrated circuits are between five and ten micrometres but, using the new method, 1.0 micrometre lines have been incorporated into transistors, and lines 0.3 wide have been made. The still narrower 0.3 micrometre lines have cross-sections of only 600 x 600 silicon atoms and, as this width is comparable with the wavelength of light, they cannot be studied using an optical microscope.

The technique considerably improves transistor packing density and ultimately will reduce the cost of electronic circuits and products, speeding up the devices which result to a considerable degree.

The technique involves conventional definition of one side of the line with a masking layer on top. Boron is diffused into the edge of the polysilicon to a depth equal to the width of the line required. The masking layer is then removed, followed by removal of the undoped region of polysilicon by a selective etch to leave the fine boron doped line.

The width of lines defined by methods such as photolithography, electron beam lithography and X-ray lithography are directly affected by the roughness of both edges but, in the new process, the line width is determined by diffusion from one edge and is little affected by irregularities in the original edge.

Mullard, Torrington Place, London WC1. 01-580 6633.

CONTRACTS & TENDERS

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هكذا من الأصل

Building and Civil Engineering

£150m. power project in N. Wales

TO-DAY a decision is expected to be taken by the executive of the Central Electricity Generating Board on the biggest civil engineering contract ever to be awarded in the United Kingdom.

It is thought to be in the region of £60m. and it covers the massive job of excavating millions of tons of rock to form the caverns which will house the generating plants for the pumped storage scheme in Dinorwic, North Wales, as well as the tunnels which will connect the upper and lower reservoirs of the scheme via the pump/turbine units.

The Executive will consider the preferred tender which has already been selected by its expert engineering staff out of three submitted by consortia headed by Sir Alfred McAlpine, Taylor-Woodrow and John Mowlem respectively.

It may decide to defer a final decision pending further consultation with the front runner. But whatever happens, the successful candidate should be named within about a fortnight.

The scheme is for a massive power plant which will deliver 1800 MW at peak and cost an estimated £150m. in all at present prices, though what the final figure will be when all eight turbines are in and running in 1981 is more likely to be well over the £200m. mark.

Commissioning of the scheme is now scheduled for 1979 and completion by 1981.

Some problems have resulted from the rock conditions in early tunnel driving and the big contract will undoubtedly be a challenge to whoever undertakes it.

Bison group gets £1½m. orders

SEVEN contracts worth £1½m. have been secured by Concrete the Bison industrialised building and structural steel group. The jobs located in North Wales, Derbyshire, London and the Home Counties include a major factory development, two multi-storey car parks, a police headquarters and an extension at Heathrow Airport.

The major slice of the work is a £500,000 order won by Concrete (Northern) for the manufacture and supply of precast concrete components for the £3.4m. production plant being constructed by Leonard Fairclough, Fram Gerrard Division, for the Kellog Company of Great Britain at Wrexham.

The multi-storey car parks in Romford, Essex for £187,000 and Winsford, Cheshire for £92,000 are to be built by the company's Southern and Northern divisions. The Romford car park is for Roneo Vickers, while in Winsford Bison precast concrete components will provide the composite decking to a two-level car park for Fine Fare supermarket shoppers.

In North West London Concrete (Southern) will build the main structure of a £½m. extension to St. Mary's Church of England School, Hendon at a cost of £136,000.

In Derbyshire work has started on the Butterley police headquarters at Ripley. This contract is worth £155,000.

Other orders are for 7,630 metres square of Bison flooring for a 24-storey office development in the City of London (£122,000), and for structural steel to be supplied by Banister Walton, Biston's Manchester-based structural steel division, for extensions to Pier 4 at Heathrow Airport (£342,000).

£33m. road jobs in South Wales

A START is to be made towards the end of October on the seven-mile Miskin-Pencoed section of the M4 London-South Wales motorway.

Cementation and Costain will do the work as a joint venture for which the tender was just over £19½m.

The award of this contract marks another stage of the extension of the M4 from Newport to the west of Pontarduiais Dyfed.

In another M4 motorway joint venture, George Wimpey and Leonard Fairclough are to construct the Coryton-to-Miskin section in South Glamorgan.

This job calls for the construction of about 6½km. of dual 11-metres-wide, three-lane motorway and nearly 2km. of dual 7.3-metres-wide, two-lane road.

The £13.8m. contract, due to start on October 1, also covers bridges, culverts, water mains and realignment of a stream.

£21m. oil tanker jetties

A £21m. contract has been awarded on behalf of Shetland Islands Council by its consulting engineers, Peter Fraenkel and Partners to Christiani and Nielsen, jointly with Christiani and Nielsen A/S, Copenhagen, for the construction of three oil tanker jetties.

The jetties, designed for 30,000 to 300,000 d.w.t. vessels, will be used for the export of crude oil received by pipeline from the Brent and Ninian oil fields north-east of Shetland.

The first jetty is due to be commissioned in mid-1977 and the contract completed in just over three years.

Over £6m. worth for Fairclough

THE Fram Construction division of Leonard Fairclough is to build 446 houses at Darnley for Glasgow Corporation at a cost of just under £5m. Work starts next month and will take two years to complete.

Also for Glasgow Corporation, Fram is to construct ancillary buildings at Shieldhall sewage works at a cost of just over £1m., but Fairclough says it will probably be two years before work will start on site. Consulting engineers for this job are Fairhurst and Partners.

The Buchan (Concrete) division has received a sub-contract valued at £426,000 from John Mowlem to supply precast concrete shaft rings and tunnel segments for British Steel Corporation. Consulting engineers are W. S. Atkins and Partners with Mott Hay and Anderson.

£5½m. more for Cubitts

A FURTHER contract, worth more than £5.8m., has been awarded to Holland Hannen & Cubitts Construction (London) by Amalgamated Investment Property Co., on behalf of United Kingdom Temperance and General Provident Institution.

It is for the second phase of the current contract at 42-50, Victoria Street, London SW1, where Cubitts is now nearing completion of the first stage.

Cubitts has already completed a seven-storey building which comprises a banking hall on the ground floor with offices above to the second floor level, and is fitting out residential flats occupying the 3rd-6th floors.

The second stage includes a 19-storey tower block with a three-storey podium linking the first with the second phase. Both will be of reinforced concrete structure with chevron-shape panels clad in granite and bronzed aluminium windows.

Architects are R. Seifert and Partners.

Aberdeen airport facilities

WORK HAS been started by Costain Civil Engineering on a £1.23m. contract for the British Airports Authority at Aberdeen Airport.

This contract is for an aircraft apron and link taxiways of pavement quality concrete surfacing 300mm. thick laid on a 150mm. thick lean concrete base. The south taxiway is to be strengthened and widened with a minimum thickness of 250mm. pavement quality concrete on 150mm. thick lean concrete base.

Associated work includes excavation, drainage, work associated with new airfield lighting installations, an access road adjacent to the north west corner of the new apron leading across the secondary runway to the existing maintenance area, pavement markings and agricultural work.

Homes in Durham

HOUSING contracts totalling about £2½m. have been awarded by Washington Development Corporation.

C. M. Pearson of Houghton-le-Spring is to build 138 houses and flats in Fatfield while L. W. Evans of Sunderland is to construct 173 houses and flats in Rickleton.

Pipeline contract

BIGGS WALL is to undertake construction of the Wing to Beanfield section of the Empingham pipeline scheme under a contract awarded by the Northampton Water Division of the Anglian Water Authority.

The work, valued at about £2½m., comprises construction of 14.7km of 1100mm and 1400mm diameter welded steel main from the Authority's water treatment works at Wing to the Beanfield service reservoir and water tower.

It will involve three major road crossings, one of which is expected to be carried out by pipejacking, and five rivers, including the 5m wide River Welland, and follows a route which will take it across the steeply sloping Rockingham escarpment near Corby.

Offices in Hastings

DEACON Construction has won a £1m. contract for a 15 storey office block in Hastings, Sussex.

The building is due to be completed late in 1976 when it will be occupied by the Department of the Environment.

Apart from the Hastings project, Deacon has secured three other major contracts—a factory complex at Tonbridge for Portacel, worth about £314,000, a factory for Taw Engineering (£219,000) plus completion of warehousing units for IDF Group Holdings (£475,000).

Cementation to sink a deep shaft

GOLD FIELDS Cementation Mining Company has started work on a £825,000 contract for sinking the new Merriespruit Number Three shaft at Harmony in the Free State. It is for Rand Mines.

Lined with concrete, the shaft will be 7.34 metres in diameter to a depth of 1,107.6 metres below surface.

A considerable amount of steelwork is needed and installations will include a series of pipe columns for air and water, the latter for both potable and industrial water. About 12,500 cubic metres of concrete will be used in lining the shaft.

More homes in Hull

A £1.18m. housing contract at Bransholme, has been awarded to Wimpey by the City Council of Kingston-upon-Hull.

The 166 dwellings will include a variety of houses, bungalows and flats. Included in the external works will be 52 garages and an electricity sub-station. Work has begun.

Awards to Townson

TWO SCHOOLS, one for Liverpool Corporation and the other for Salford Roman Catholic Diocese at Accrington are to be constructed by William Townson & Sons at a total cost of £345,000.

The company has also gained contracts for a warehouse and offices at Rochdale for Lyn Town Investments (£70,000) and alterations for Tillotsons of Liverpool (£121,000).

Oil rig base sewerage

TO-DAY, MacLeod and Miller (Engineers) of Blantyre, Glasgow, will be delivering a BIOX plant for treating domestic sewage from Seaplatform Constructors' Rhuda Mor work camp at Portavadie on the shores of Loch Fyne.

The unit is about 31 feet long, 8 feet wide, over 16 feet high and weighs 16.8 tons. It will be transported by low loader from Blantyre to Ardrossan Docks where it will be loaded on to a ferry and shipped to site at Portavadie. There it will be off-loaded on to prepared foundations and connected to the camp sewerage system.

The BIOX Rotating Disc Unit, as it is called, is at present being manufactured under license in Italy and Japan.

Main advantage claimed for the BIOX Rotating Disc Units are extremely low energy consumption compared with conventional package plants, quietness, low maintenance cost and the capability of accepting widely fluctuating loads without the aid of an additional balancing system.

Start made on chemical plant site

A £104,000 contract for initial site works and foundations has been awarded to R. G. Carter (Humberside) in preparation for the construction of a £5m. agro-chemicals plant for Ciba-Geigy Chemicals at Pyewipe, Grimsby.

White Young and Partners of Leeds, have been appointed consulting engineers for the plant for which planning approval is being sought. It is hoped that the main building contract will start in November and be completed in mid-1977.

Irrigation scheme in Dubai

FAMLINER waterproofing lining —bitumen/glass fibre membrane —manufactured by D. Anderson and Son, of Stretford, Manchester, is playing an important part in the Ruweiya Irrigation scheme at Dubai in the Middle East, where salad crops and vegetables are being grown in desert barren for thousands of years. The crops need 8m. gallons of water each day for 500 acres of market gardens. Famliner is being used on the 8m.-gallon balancing reservoir critical for the success of the scheme.

IN BRIEF

Molex, the Farnham-based manufacturer of municipal and agricultural tankers, has won a contract worth almost £1m. to supply 12 2,000-gallon capacity sewage collection tankers to the Bahrain Ministry of Development and Engineering Services.

● Beverley Chemical Engineering will be paid over £150,000 for the complete thermal fluid heating system together with all hot water, cold water and air services in the world's largest "no-steam" laundry. The laundry will be part of a new prison near Leyland, Lancs., to be set up entirely with British equipment by the main sub-contractor, Manlove Tullis Group.

● A contract worth nearly £740,000 has been placed by the London Borough of Hackney with Wates Special Works Division for the conversion, modernisation and improvement of five blocks of flats on the Nisbet House Estate, Homerton High Street, London, E.9.

● Tilbury Construction has been awarded a contract worth about £2m. to build 81 houses and 113 flats for Chelmsford District Council. Architects are Stanley Bragg and Associates and quantity surveyors E. Dudley Smith and Partners.

● Archital is to supply 21 London boroughs with aluminium windows over the next three years. The order is worth over £1m.

● Fairweather Construction (Overseas) has been formed by the Wood Hall Building Group to undertake construction work in the Middle East and West Africa.

● Additional Teaching accommodation at Kingston Polytechnic for the Royal Borough of Kingston-upon-Thames, is to be constructed by Higgs and Hill Building. Value of the contract is £1.6m.

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MONDAY, SEPTEMBER 22, 1975

Tasks for the steel inquiry

THE PUBLIC inquiry to be set up into the blastfurnacemen's dispute at Llanwern will have two distinct tasks. The first is to assess the wage rates offered by the British Steel Corporation for the No. 3 blastfurnace in relation to the nature of the work involved and the wage structure in the works as a whole. The second is to examine the wider question of how new technology can be introduced in BSC's plants without causing the disruption and argument which kept the new Llanwern blastfurnace idle for seven months.

Unless some new and powerful counter-arguments are produced at the inquiry, the BSC is unlikely to be persuaded to make any significant improvements on its present offer for quite apart from upsetting the wage structure in Llanwern itself, the Corporation is determined not to set precedents which will be followed by blastfurnacemen in other plants when similar technology is introduced. This is the issue of principle for the BSC: if it is forced to pay excessive wages as the price for introducing new technology, the benefit of the investment will be largely wasted.

New equipment

To abandon the principle at this early stage in modernisation would be disastrous. Over the next five to ten years, the production process will be transformed by introduction of new units of equipment, with much larger capacity than the old, and this will bring changes in work practices and methods of payment. The programme will greatly reduce the number of men employed in the industry: the National Union of Blast Furnacemen will be hit especially hard—although overmanning does not appear to have been an issue in the Llanwern dispute.

The unanswered question is whether management and unions can adapt their collective bargaining arrangements to facilitate the industry's modernisation. The complexity of the present wage structure and the system of production bonuses may not be appropriate to a period of changing technology: traditional differentials may have to be altered or abandoned.

Above all, it has to be recognised by all concerned that the British steel industry, like the British motor industry, is fighting for its life. Because of overmanning and under-investment, its production costs are too high. Partly because of strikes, it has been unable to satisfy home demand, let alone increase exports, and foreign suppliers have built up a strong position in the market.

Competition

A national strike could only have worsened the industry's competitive position, leading to a further loss of jobs. It was the seriousness of this danger that led Mr. Len Murray, TUC General Secretary, to play so active a part in the negotiations of the last few days.

In itself, the establishment of a public inquiry solves nothing. This is not a case where independent arbitrators can split the difference between the two sides and expect such a compromise to form the basis for a setlement. The aim must be to get union and management to agree on a wage bargain which takes full account of the BSC's present and future competitive position and which will set the pattern for the introduction of new technology at an economic cost. The findings are not binding on either side. The BSC will have learned enough from the industry's past experience not to accept a formula which buys peace at Llanwern at a price that threatens its long-term viability.

Two cheers for democracy

PORTUGAL has a new government—the sixth, in fact, since the revolution of April last year, but also, in a sense, the one for which the moderate military men and the moderate politicians have been struggling since the Socialists and Popular Democrats withdrew from the Government of Prime Minister Vasco Goncalves three months ago. It is too early to say, however, how far the moderates have achieved their objectives.

Balance

The Socialists and Popular Democrats between them won more than 60 per cent. of the vote in the elections for the constituent assembly last April. They left the Government because their own views were being overridden and because they were convinced the country was moving away from "pluralist democracy," the stock phrase of the moderates both inside and outside Portugal. Their departure was also a challenge—to the moderates within the Armed Forces' Movement to come into the open, and to the people who had voted for the non-extremist parties to show their continued support.

In the end these tactics succeeded. General Goncalves, for long the favourite of the Communists, is out, though he took a long time in going. The Armed Forces' Movement did split, at least to the point of a group of nine officers coming out with a relatively moderate programme of their own and then finding increasing support for it within the Movement. There were also widespread demonstrations in favour of the Socialists and Popular Democrats, or at least against the Communists, at the popular level, especially in the north of the country.

The tactics can be said to have succeeded, too, in that the new Government appears accurately to reflect what is known of the balance of forces within Portugal. It is true that it contains no conservatives, but then the conservative parties were scarcely allowed to figure in the elections for the constituent assembly, so that their strength cannot be measured. It is also true that apart from the Prime Minister himself the new Cabinet of 15 includes four military men, but in the present climate it is hardly possible to imagine the military being kept out; the more significant point is that the group of nine is heavily represented, most notably by Major Melo Antunes, who returns as Foreign Minister. For the rest, there are three independents, four Socialists, two Popular Democrats and one Communist—a reasonable representation of the parties on the basis of the votes they received last April.

Yet balance itself is no criterion for effective government. There is even some doubt as to how far the political parties are committed to it. The leaders of the Socialists and Popular Democrats, for example, have not taken portfolios, while the adhesion of the single Communist can be read in a number of ways: either the party is seeking to keep alive the idea of an alliance of popular forces, or it will play the wrecker, or, perhaps, it is simply keeping its options open. The Communists, in fact, must have been delighted at the remark of President Costa Gomez at the swearing-in ceremony that social democracy is not the ultimate aim of the revolution.

Economic aid

Meanwhile, of course, the internal problems mount. These include not only the economy, but also the need to do something about restoring law and order and establishing more defined relations with the outside world. The new government may be able to tackle these better than its predecessors, but it is not self-evident. Certainly the European Community should be ready to resume the dialogue about economic aid which was suspended when the Goncalves Government dissolved into confusion, but the old condition of no aid without pluralist democracy needs to be kept. The new government offers the form, but will have to prove itself on the substance.

The Royal Commission on the Press is to produce an urgent interim report on newspaper finances. Ho do other countries aid their Press, and what issues do subsidies raise? **Rex Winsbury investigates**

Fleet Street's call to alms

THE Government's decision to ask the Royal Commission on the Press, now sitting, to produce an "urgent" interim report on the immediate financial problems of the national newspapers will clearly raise a whole host of questions, like manning standards in Fleet Street, newsprint costs, declining advertising revenues and circulation figures, and the imminent introduction into Fleet Street of the new, computerised photo-typesetting methods that have already made such inroads into the British provincial and the U.S. Press.

	Reduced postal charges	Reduced rail charges	Telegrams, telegraph, etc.	VAT exemption/ reduction	Income/ profits tax relief	Newsprint subsidy	Air transport	Loans, grants	Government advertising	Political party support	Training	Last known total of state aid
FRANCE	●	●	●	●	●	●	●					£140 m.
BELGIUM	●	●	●	●		●	●	●				£12.5 m.
NETHERLANDS	●			●				●				N/A
DENMARK	●			●								£6 m.
SWEDEN	●			●				●	●	●	●	£38 m.
W. GERMANY	●			●				●				N/A
ITALY	●	●	●	●		●		●				N/A
NORWAY	●		●	●		●			●			N/A

Japan gives little if any aid. In the U.S., aid is limited to concessions on postal rates. In Ireland, newspapers investing in new equipment can, like other industries, apply for Government grants. In Switzerland, a special parliamentary commission recently recommended subsidies worth about £9m. a year

Prominent among those questions will be one with profound implications, actual or potential, for the role of the Press in the political life of the country—should the Government itself now intervene financially in the affairs of the Press, and could it be done without infringing those tenets of editorial independence that are regarded as the lynchpin of a free Press?

This question has often been posed before, and the answer was, until very recently, a categoric "no," at least from the spokesmen of the industry. Left-wing proposals for Government measures to redistribute advertising revenue between richer and poorer newspapers or to set up State-owned printing plants that would be leased to aspirant newspaper publishers were rejected as prejudicial to democracy itself, since they opened up the possibility—in some eyes, the inevitability—of Government interference in what the papers say. At the moment therefore the British Press gets only two forms of aid—reduced postal rates (not worth much in practice) and zero rating for VAT on sales and advertisement revenue.

Marked shift of opinion

Yet this year, a marked shift of "official" opinion has taken place. Consider these statements:

"The CBI would not be averse to seeing Government money used in a single, once-for-all operation to solve the problem (of over-manning in newspaper printing)"—the CBI in its evidence to the Royal Commission on the Press in February.

"In my view, the way they (the Government) can help us most is by a loan, maybe interest-free, to be repaid by the newspapers from the savings they achieve, to help Companies overcome the inevitable human problems of redundancy with retraining grants, leaving grants, pension schemes," as newspapers reduce manning through the introduction of new, computerised printing methods—Mr. Duke Hussey, Managing Director of Times Newspapers and Deputy Chairman of the Newspaper Publishers Association, at a recent conference on Press technology.

"I would like to suggest that the newspaper proprietors, the unions and the Government should together consider the possibility of introducing some variation on the Special Voluntary Severance Scheme introduced into the docks following the interim Aldington-Jones report"—Mr. Christopher Tugendhat, Tory MP.

"I would favour a Government scheme to help the over-65s to leave the industry"—a not-quite-verbatim quote from Mr. Percy Roberts, chief executive of Mirror Newspapers, in a recent television programme. And not least, in the Financial Times' recent presentation to the unions of its development programme—"if any national scheme for aiding newspapers in carrying out development plans can be agreed, which we feel is compatible with maintaining our freedom from interference . . . we shall consider joining it."

Clearly then, in face of the mounting economic difficulties of the press, particularly the national press, and with at least the hope that some solution can be found in the manpower cost-cutting facilitated by new, electronically based printing techniques, Government intervention, of a specific and limited kind, has suddenly become very much a matter for discussion.

For, while the financial crisis may be the immediate concern, it must also be recognised that the dawning technological revolution in printing also has long-term implications for social and political life. There has once before been a similar technological upheaval in newspaper and, indeed, general printing. When new presses and the Linotype and similar hot metal type-casting machines that are the present basis of the industry were first introduced about the turn of the century, they caused an enormous change in the economics of newspaper publishing. Allied to developments in literacy, advertising and a national railway system, they gave rise to the powerful mass circulation newspapers we know today.

To-day's new technology may therefore have an equally profound long-term effect on the future of newspapers, taking them we know not where at the moment. But any intervention must be considered with this dimension in mind—for the decision on how to intervene, and with what objectives, could have great consequences for the political process and the role and power of the media, as for the reading habit itself, for many decades to come.

Should the idea of Government assistance without strings be accepted by the Government as a legitimate use of tax-payers' money? Among European nations at least, Britain is exceptional in the low degree of financial aid given to newspapers.

The table shows in brief form the various ways in which various countries give financial aid to their newspapers. It should be appreciated that the pattern of newspaper publishing varies a great deal from one country to another. Britain, with its powerful and still varied national Press, is almost unique. France's Press is predominantly regional, as is West Germany's; Italy's Press is often controlled by giant industrial organisations, not infrequently as the mouthpiece for their various self-interests. In Scandinavia, the papers reflect mainly political party interests; in Belgium and Holland, religious and ethnic divisions, and so on. These differences in some cases explain the pressure to subsidise—in order to keep various sub-groups in society supplied with a voice. Aid in Europe generally falls under one or more of the following headings: reduced distribution costs, postal and rail; reduced telecommunications costs: tax concessions: loans at special interest rates and direct grants.

In addition to the range of help given now, proposals are being made in almost all countries for extensions. The financial pressures (higher newsprint and wage costs, falling advertising revenue and circulations) are common to the Press all over the Continent, and so is the move towards the use or greater use of public money to meet the crisis.

Trevor Humphries

An Intertype operator at work in the traditional way. The new electronically based printing techniques will mean a composing room revolution—and have profound implications

In West Germany, whose low level of State aid to newspapers so far makes it the country most comparable to Britain, the Government has, for example, decided to make more funds (up to £18m.) available for cheap credit to small and medium papers, and a law on Press statistics has been passed to ensure more data in a field where there has been much dispute about the figures.

The newspaper publishers are seeking more substantial aid. They want abolition of VAT on newspaper sales, rather than the existing reduced rate; a reduction in postal charges, which recently went up; and (perhaps most significant as a new form of aid) the placing of paper on the list of materials qualifying for Government subsidy. It was Lord Shawcross, chairman of the Press Council, who suggested earlier this year that there should be a newsprint subsidy, paid for out of general taxation, for U.K. papers; but this idea has not so far been taken up by other industry spokesmen.

The German Parliamentary Opposition supports the publishers' demands, but the Government is very aware of the dilemma that any government is in. For to apply aid on the "watering can" principle means helping those who do not really need it, perhaps at the expense of those who really do: but to give aid on a selective basis is to lay the Government open to charges of patronage and interference.

In France, where State aid now amounts to about 15 per cent. of the gross turnover of the industry, the Government said in April that it was ready to give temporary further assistance to help newspapers over their present crisis. A special commission is now trying to work out ways of putting this aid on to a sounder footing—that is, once again, to ensure that it goes where it is needed.

Italy's Parliament has already this year approved a law setting aside about £65m. over the next two years for newsprint subsidies. The subsidies will be provided by the National Cellulose and Paper Corporation on a scale which increases the subsidy per kilo of paper used for smaller circulation papers. The newsprint subsidy approach is much easier to adopt in Italy (and is the obvious one for that country) because there is a national State-owned paper corporation.

In Belgium, the Government has taken over the payment of the subsidy to the paper industry: formally the users paid the money. In the Netherlands an informal Press fund has been operating for some time, financed from a 5 per cent. surcharge on broadcasting advertising revenue (a form of subsidy which has its advocates in this country too, though not inside the industry). Under proposals now before the Dutch Parliament, this aid will continue, going to all papers on the basis of copies sold, but a new fund will be set up to give State aid—usually interest-free loans—to papers in difficulties. Already this has given rise to the criticism that the government of the day will be inclined to bail out papers which share a similar political view.

In Sweden, where a variety of subsidies is already given, as the table shows, there is a third commission of inquiry into the Press now sitting (rather as the U.K. now has its third inquiry into the Press since the war). The Swedish committee's report is expected later this year. Similarly, in Norway a revision of the subsidy system is being planned by the Ministry of Information. In Denmark, where State aid is limited to a Press Finance Institute which offers loans and loan guarantees for new production methods, the whole question of State is also being reviewed by Government and the newsp[...] owners.

What a review of Euro[...] practice does show is that [...] idea of special grants or lo[...] directed in particular at [...] production facilities, has sev[...] precedents. In the pre[...] British context, such a loa[...] grant scheme would hav[...] concentrate more on the re[...] dancy and retraining aspec[...] new technology than on [...] equipment itself, which is [...] tively cheap compared to [...] cost of paying off or retrai[...] people. But this type of ai[...] several advantages from [...] industry's point of view.

Defined purpose

One is that it is for a sp[...] defined purpose: another is [...] it could be a one-off i[...] operation—that is, the [...] scheme could be set up f[...] limited period only, after w[...] the industry would reve[...] financial independence; a[...] is that there are precedent[...] Government aid for [...] reorganisation of produ[...] facilities in other indu[...] which give experience to [...] on in setting up such a sch[...] and a fourth is that techn[...] is about as non-political [...] non-controversial a subjec[...] you can get.

It is true that, in the lo[...] term, newspapers might [...] "compete away" the be[...] gained from new, cheaper [...] duction methods, so leadi[...] that very contraction in [...] number which aid schemes [...] to avoid. Equally, politi[...] might seek to attach strin[...] this type of aid, just as t[...] other, and some (say, a fu[...] investigation of joint pr[...] plants, of the sort now l[...] ning to appear elsewhere i[...] world, but which were [...] subject of recent abortive [...] tiations between Fleet S[...] proprietors) might be ha[...] resist.

The real controversy [...] start if more fundam[...] changes in the structur[...] administration of the [...] were proposed as part o[...] even concomitant too, Go[...] ment aid.

Such considerations show [...] delicate could be the terr[...] which the Government an[...] industry may be on the ver[...] entering. Yet, given the pr[...] economic climate, it is ha[...] resist the conclusion that [...] it they probably will, in [...] ever guarded a manner.

MEN AND MATTERS

Welch's Europe message

"The grape," says Craig Campbel of Welch Foods, "is the money tree." So much so that mention Welch's in America and most people will know immediately that grapes are involved. The message is now being brought across this side of the Atlantic, though the process is liable to be a long and research-filled one.

Campbell is chief executive of Welch, the marketing end of the National Grape Co-operative Association which has 1,950 farmer members tending some 30,000 acres of U.S. vineyards. The results of their work, sold through Welch, are a wide range of fruit and soda drinks, jellies (the type spread on bread) and preserves. There has also been diversification into tomato and prune juice, peaches, prunes, cranberries and marmalade.

The key point is that with Welch's prohibition-linked history, alcholic use of the grape is largely eschewed, though the organisation does make an exception for home wine kits. Campbell is sure than even if the very different marketing structure of the wine industry could be tackled and Welch considered letting its raw material ferment, most of the co-operative members would register protest against the idea.

Welch's origins go back to 1869 when a New Jersey dentist, Dr. Thomas Welch, decided to see if Louis Pasteur's pasteurisation ideas could be applied to grape processing. The doctor was keen, apparently, to see an unfermented wine used in his church's communion service. He and his family picked 40 lbs of grapes and successfully boiled out the yeast organisms.

On that original grape-gathering expedition was Welch's 17-year-old son Charles, who followed his father into dentistry—but also pushed the growth of the family's grape processing business. Charles Welch was an enthusiastic teetotaler, even running for the Governorship of New York on the Prohibition Party ticket.

Sales last year reached \$133.3m. By this time, Welch's had established overseas markets in central and south America, the Philippines and the Middle and Far East. Europe was approached with some diffidence, being the home of grape processing, even if at the opposite end of the operation from Welch.

So this part of the world has been got round to last, and is being examined with a good deal of care (Welch says its research will include "various profiles on a class/religion basis to obtain consumer reaction to various products and formulations") by Allen Prosser, division director for Europe, who has made his base in Dublin.

Progress may be slow, but Welch's has some considerable marketing achievements behind it. The U.S. Navy may enjoy the occasional submarine-borne go-go dancer, but it has been "dry" since one Josephus Daniels, a moralistic Navy Secretary, substituted the sailors' monthly rum ration with Welch's Grape Juice.

Crime note

What, you may wonder, is the Association of Scientific, Technical and Mangerial Staffs talking about when it says most employees "regard such anti-social behaviour with abhorrence"? Not large golden handshakes this time, but the filching of cutlery from the Pilkington glass group. No less than £300-worth of the stuff is disappearing annually from the company's head office canteen. About 30 per cent. of the total stock of cutlery and crockery is involved.

John Stephens, the canteen manager, is inclined to be charitable. "Whether this cutlery is deliberately stolen or just 'borrowed' to eat food elsewhere on the company's premises is not known."

The ASTMS union took a stern view. "We wish it to be known that the vast majority of employees, who are honest, regard the anti-social behaviour with abhorence. This applies to the taking of any company property, including materials of all kinds. We will support the company in any efforts to deal with offenders."

The unusual tale is told in the house magazine *Pilkington News*, which concludes: "Anyone who has any company cutlery, crockery or cruets, etc., is asked to return them to the canteen now to help keep costs down."

Aston Martin changes

Jensen may have called in the receiver, but the news from Newport Pagnell is that Aston Martin is alive and well and has just sold £2½m. worth of lorries to Nigeria. In the hands of Peter Sprague, 36-year-old American turnaround expert, Aston Martin looks like becoming a different animal than the one we knew: "I look on the company as a pool of assets, a name and a capability," he says.

As boss of National Semiconductor, Sprague has had nine years at the helm of a company which he virtually rescued, took public, and has since made into the fastest-growing company in U.S micro-electronics. Aston Ma tin now figures among a multitude of other interests (chicken farming and cold storage in Iran, a TV and Hi-Fi concern, and a stores business like Habitat), are all somewhat off-beat, and some of which have required similar entrepreneurial talents.

The question at AM is whether his buoyant optimism can be tu ned into hard profits. While admitting that no-one can make big money from quality car manufacturing these days, Sprague is pointedly dismissive of the lack of British interest in the company (despite suggestions that a number of British investors would back him and his partner, Canadian hotelier and car distributor Geo ge Minden, none have come up with the money), and also of the gulf between managers and men in the U.K. He is also backing the British worker: at National Semiconductor's Greenock, Scotland, plant, he says, productivity is better than in California.

What he finally intends for AM is anyone's guess. There should be new models in due course, but he has no intention of getting into the large volume area which damaged fellow American, Mr. Kjell Qvale, at Jensen. Meantime the V8 and Lagonda are coming back on stream, there are possibilities of developing the sales and service side, and the company will continue to look for trading opportunities like the lorry deal, spotted by the general manager Fred Hartley.

Sprague also talks excitedly, for once like a well-bred car industry man, of the openings for a limited production, pre-sold series. "Just imagine," he says, "the ultimate car, with the performance of a Ferrari Boxer and the comforts of an Aston Martin."

Pray early

Sign outside a church: "Come next Sunday and avoid the Christmas rush."

Observer

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FINANCIAL TIMES SURVEY
Monday September 22 1975

DENMARK

After a solid record of economic success in the post-war years, Denmark has witnessed a surprising series of political and social crises. This Survey examines some of the problems that need to be solved and looks at the major contributors to the country's economic growth.

A crisis born of affluence

By William Dullforce, Nordic Correspondent

ODD THINGS have been happening in Denmark over the past two years. That well-ordered, affluent, judiciously permissive Scandinavian welfare State has suddenly fallen into disarray, lurching from one political crisis to another, while pundits voice forebodings either about the nation's economic stability or about the future of Danish parliamentary democracy. If not rottenness, there has certainly been bewilderment in the State of Denmark. Some 10 per cent. of the organised labour force has become jobless, inflation has cut into incomes, industrial production has dropped and an irreverent iconoclast, whose party was born in the Tivoli entertainment park, has preached the immorality of paying taxes and has got more than 15 per cent. of the electorate to vote for him.

Denmark is in crisis, even if it is not of the acute kind from which revolutions spring. It is rather a crisis of affluence and of political leadership. One aspect, the reaction against the welfare State, is examined elsewhere in this survey. But, despite the support for Mr. Mogens Glistrup's anti-tax party, the Danes give the feeling that they are seeking sensible rectification of existing systems and practices rather than drastic change. The large majority remains loyal to the concept of Western democracy.

The question is whether the present political leaders can respond and no confident answer can be given. It is almost as if entry into the Common Market had released among the Danes a latent penchant for Italian-style politics. At present the much-battered Social Democrats are back in power under Mr. Anker Joergensen. He has just negotiated a compromise with the opposition over a short-term, emergency economic package to curb unemployment and has probably boosted his Gallup ratings a couple of percentage points, but there are no signs that he is yet overcoming the Danish people's current lack of respect for their politicians.

The sources of the Danish malaise go back several years but they first broke the surface when Mr. Erhard Jacobsen, a Social Democrat who quit to form his own Central Democrat Party, left his spectacles at home. By going back for them, he failed to cast the vote in the Folketing that would have saved Mr. Joergensen's first government. At the subsequent election the traditional pattern of Danish politics was shattered when the number of parties represented in Parliament was doubled from five to ten. The Social Democrats lost 24 seats.

Prime Minister Anker Joergensen: currently making the running, but will he last the year?

Liberal leader Mr. Poul Hartling: his election gamble did not quite come off.

Mr. Mogens Glistrup: the gadfly who has embodied the protest against the system.

The most spectacular entry was made by Mr. Glistrup and his Progress Party, which took 28 of the 179 seats and became the second largest party in the Folketing at its first try. His success at one end of the political scale, that of the Communists at the other (they returned with six seats) and the 14 seats won by Mr. Jacobsen's breakaway Central Democrats demonstrated clearly enough that the Danes were fed up with the four parties which had alternated in power in various coalitions or single party governments since the War.

Out of the chaos emerged a liberal cabinet, led by Mr. Poul Hartling, based on the narrowest parliamentary margin (22 seats) ever for a Danish Government. By force of character Mr. Hartling survived for nearly a year, scraping improbably through two serious crises by the skin of his teeth. He pursued a tough tax and budget cutting, anti-inflationary policy, which won him growing respect and, when he was finally brought down over income restraint measures, he took the gamble of going to the country.

Gamble

He gained 20 seats in the January election this year, the biggest gain recorded by a Danish party in any single election this century, but the gamble did not come off. He needed a total of 50 seats to ensure his Government's continuation but got only 42, taking most of the gains from the centre and Right-wing parties who had backed him. The Social Democrats came back with 53 seats, a gain of seven. There were still 10 parties in the Folketing and there was still a Left-wing majority. The situation was as hopeless as ever and after the usual haggling Mr. Joergensen formed his single party minority cabinet.

BASIC STATISTICS	
Area	16,629 square miles
Population	5m.
GNP (1973)	Kr.165bn.
Per capita	Kr.32,000
TRADE (1974)	
Imports	Kr.60.3bn.
Exports	Kr.47.0bn.
Imports from U.K.	£427m.
Exports to U.K.	£577m.
Currency: Krona £1 = Kr.12.69	

Mr. Glistrup's Progress Party remained the third largest with 24 seats. It is not possible to understand what has been happening in Danish politics over the past two years without examining the Glistrup phenomenon. It is fair enough to concentrate on the man, because his party would not exist without him.

A rotund lawyer with a quicksilver intelligence, Mr. Glistrup runs Copenhagen's biggest law office and has written sophisticated textbooks on taxation law. His outspokenness has a naive charm, recalling the child in Hans Andersen's tale who could not see the emperor's clothes and said so. Mr. Glistrup caught the Danes' imagination by voicing outrageous, stimulating opinions on television. He compared tax evaders with Danish resistance saboteurs during the German occupation: they were performing a dangerous but socially necessary duty. People over 60 should not be allowed to vote. The Danish foreign service was superfluous and the defence forces could be reduced to one Russian speaker, who would wake the Defence Minister at the appropriate moment and then proclaim Denmark's capitulation.

Mr. Glistrup's witticisms were entertaining and barbed. One suspects that at least part of his success stems from his appeal to the Danes' sense of humour but he also struck a deeper chord. His invective against excessive taxation, the mountain of official paper smothering ordinary citizens and the Augean Stable of irrelevant, contradictory legislation that had accumulated on the satute books contained too many home-truths and appealed to too many frustrations.

When Mr. Glistrup got into the Folketing, the other parties sent him to Coventry and the Press started to ridicule him. Last year his fellow MPs voted to raise his parliamentary immunity to enable him to stand trial on some 3,000 charges of tax evasion on his own and others' accounts. And yet to any visitor to the Folketing Mr. Glistrup's impact on Danish politics is palpable. No Danish party can now afford to leave out of its electoral programme promises of tax relief, cuts in public spending and better administration of the social services.

Protest

Mr. Glistrup has embodied a popular protest. In an opinion poll of his voters after the 1973 election two-thirds said they had backed him to protest against the existing system. A majority said they voted for him, although they did not expect him to succeed in implementing his policies. Most thought it wrong not to pay taxes (Mr. Glistrup had boasted on television that he paid no tax) but believed nevertheless that Mr. Glistrup was an honest politician. Many Danes who did not vote for him favour some of his ideas. Like M. Poujade, Mr. Glistrup may eventually

CONTINUED ON NEXT PAGE

Unemployment is currently running at about 5 per cent, the highest for 30 years, and experts predict that it will be many years before full employment returns.

The economy

IN THE late 1960s and first years of the 1970s the economy was bedevilled by an over-rapid expansion of public sector spending and housing investment, absorbing capital and manpower resources which were urgently needed by export industry. The growth of the public sector had other disturbing side-effects. The public sector became the wage leader, setting the pace for wages and salaries in the business sector, while the high taxation level, with marginal rates of 60 per cent. for ordinary workers, contributed strongly to inflationary pressures.

The disequilibrium showed up in the current balance of payments, in deficit for every year except one since 1960. A foreign debt of the order of 15 per cent. of the gross national product has developed, and when the oil crisis emerged in late 1973 it was widely feared that Denmark would be one of the countries unable to continue to finance its foreign debt.

These fears were not modified by the return of a 10-party Parliament in December, 1973, when many people believed that economic policy would be the first victim of the political confusion. Whether it was the impact of the oil crisis or the shock of the election which concentrated the minds of the politicians will never be known, but economic policy has been handled firmly ever since—both by last year's minority Liberal Government and this year's minority Social Democratic Government.

The Liberal Government accepted the consequences of the oil crisis. In the early summer of 1974 it carried through severe curbs on private consumption. The policy was extremely effective, more so than intended, in fact. The curbs happened to coincide with a slump in housing (starts on new dwellings were down from 50,000 to 25,000 from 1973 to 1974). The result was that a first-half current balance of payments deficit of Kr.5bn. was converted into a deficit of only Kr. 25m. in the final quarter.

The slump in domestic demand in the second-half of last year worked wonders for inflation. Consumer prices were increasing at an annual rate of over 16 per cent. in the middle of 1974, but by the end of the year they had slowed down to an annual rate of 5 per cent. to 6 per cent., and they have remained at this level since.

Wage law

The Liberals, however, did not succeed in tackling wage inflation, which was becoming a pressing problem. Hourly wage rates in Danish industry, at about Kr.35, are probably the highest in the world to-day, although total wage costs, including social security contributions are probably still higher in Sweden, Norway and Germany. In the two years 1972-74 wage rates rose by 40 per cent. and total wage costs by even more, owing to a sickness benefit reform which came into effect last year.

In the spring of this year the Social Democratic Government intervened when the negotiations for a new two-year collective wage agreement between the TUC and the Employers Federation broke down. It imposed a new agreement by law, and it was extremely moderate. Basic wage rates will go up by only about 2 per cent. a year in 1975 and 1976. Consumer price index-linked threshold payments will put the actual increase up considerably but there is a good chance that, with the introduction of the new agreement, average wage rates will not rise by more than about 10 per cent. a year.

The prospect of containing inflation was enhanced by the five-party agreement on economic policy which was obtained earlier this month. The agreement included an incomes policy declaration of intent, which commits the Government to preventing the increase in prices, costs and incomes from rising faster than at present over the next three years. The declaration includes a vaguely-worded but encouraging statement to the effect that if more threshold payments than expected are in prospect next year and in 1977, the parties will discuss ways of avoiding the extra payments.

Two other important developments have taken place in the past two years which are crucial to putting the economy on a safer long-term course. There was a slump in house-building last year, and in the 12 months to June housing starts were cut to 36 per cent. of the 1972 peak of 64,000. It has been accepted by all the parties which have any influence on policy that the 1972-73 boom was intolerable and official policy is now to aim at a steady rate of 40,000 houses a year.

The second point is that politicians of all the main parties have realised that the growth of public consumption and investment must be curbed. They like to pretend that this has nothing to do with the emergence of Mr. Mogens Glistrup's anti-tax movement and is due alone to their own awakening to the dangers of over-expansion. Either way, the result is that projections of central government consumption and investment show almost no real increase for the next three years. Sceptics argue that this is because the Government is pushing more and more tasks on to the local authorities, but, particularly this year, local government expenditure has increased much more moderately than expected.

If this more moderate development of housing and public sector expenditure can be maintained, the prospects of achieving a better balance of demand and resources in coming years will be better than at any time for the past 15 years, and Danish industry will be well placed to utilise the international upswing when it finally arrives.

The immediate picture is dominated by unemployment and the measures taken by the Government this month to boost the economy. Private consumption, public investment and exports have all failed to develop this year as expected and a negative growth rate of about 2 per cent. is likely. A decline in exports in volume terms of 4-5 per cent. is the most alarming development. With industrial order books continuing to thin out through the summer, there was every prospect that unemployment would climb to 7 or 8 per cent. of the total labour force this winter.

Stimulus

The Government and its supporters have agreed therefore to an expansionary programme equal to about 2 per cent. of the GNP. Value Added Tax is being reduced from 15 to 9¼ per cent. for five months from September 29. Compulsory savings made by the public last year are being repaid immediately. Public expenditure is being boosted by about Kr.700m., and Kr. 1.5bn. is being provided to stimulate private sector investment. It is hoped by the Government that the programme will keep 50,000 people in jobs this winter who would otherwise have been unemployed.

The programme is rather larger than comparable efforts being mounted in neighbouring countries and there is an element of risk that the current balance of payments will deteriorate so sharply that the country's creditors will again become uneasy. A deficit of Kr.4—6bn. is forecast by the Economic Advisory Council next year, but the governor the Central Bank, Mr. E Hoffmeyer, believes that if can be seen that inflation being tackled resolutely effectively, the problem financing the deficit should surmountable.

A second problem is the e of a large central Governm budget deficit—the result falling revenues—on the mo supply. However, up to this year's expected deficit Kr.12bn. is being soaked up medium - term Governm bonds, and a similar policy probably be pursued again year.

Before the Governm expansionary measures published, the Economic sory Council estimate for a growth rate next year of 4½ per cent., depending m on whether exports stagnate the 1975 level or start r again. The Government's sures should ensure that GDP meets the more optim forecast.

But even with this relat rapid expansion, in which 5 cent. volume rise in private sumption will play the le role, the Council warns because of the low cap utilisation to-day, there wi be a big fall in unemploy either next year or in 197

Hilary Bai
Copenhagen Correspo

This has been a year of innovation for the banking system, an erratic year for the capital markets, and an unexpected year for the stock market.

Finance sector

THE BANKS have experienced four significant new developments in 1975. Foreign banks have been allowed to set up in Denmark for the first time, the savings banks have acquired equal status with the commercial banks, the State has obtained the right to appoint members to the supervisory boards of the commercial banks (it has had the same right with regard to the savings banks since 1937), and in March the *Folketing* approved a new law enabling the Government to regulate interest margins.

The foreign banks have not come rushing into Copenhagen. Last year's liquidity problems made them cautious about starting up new projects which were likely for the next few years to produce nothing but losses. However, by early next year there will probably be five foreign banks with branches in the Danish capital as well as half a dozen with representative offices.

American Express Bank wheezed its way into Denmark several years ago by converting its old established travel company into a bank and setting up a new company to conduct the travel operations. First National City Bank, however, was the first to make use of the new regulations this year. Chase Manhattan, Bank of America and Standard and Chartered are the others preparing to open branches.

The movement has not been all one way. Hambros Bank, which had a representative office in Copenhagen for some years, closed it down this summer.

The opportunities for the foreign banks are not enormous. The market is small and tightly covered by the domestic banks, and the opportunities for raising deposits, short of the major step of going into retail banking, are limited.

But the foreign banks are able to offer better services than the Danish banks for a variety of international transactions simply by virtue of their extensive branch networks overseas. This is their selling point, and it is the only aspect of their activities which in any way worries the Danish banks, who are so well established that they have no need to worry about the minor inroads which the foreign banks can make into the deposit business. All the same, the foreign banking community cite rumours of Danish banks casting a cold eye on customers known to have used the services of the foreign banks.

The inception of the foreign banks has meant a marginal increase in competition. The equalisation of the status of the commercial and savings banks is a more important factor. Under the old rules, the savings banks were restricted in the main to issuing loans against collateral in real estate. They could not give guarantees, run accounts with foreign institutions or arrange foreign loans. The major part of their business was therefore in acquiring deposits from small savers and issuing mortgage loans.

In theory, they are now fully able to compete with the commercial banks in offering services to the business sector. In practice it will take them years to become effective competitors in this form of business with the commercial banks. But they are making a start, as Kjeld Christensen, managing director of Denmark's largest savings bank, SDS, said by establishing relationships with small, growing enterprises.

The savings banks (of which there are over 200 in all, the top five having over 80 per cent. of the business) have been losing market shares to the commercial banks for many years. They welcome the opportunity which their new status gives them to stabilise their position and perhaps to win back some of the lost ground.

Ratios

The savings banks still have some disabilities compared with the commercial banks. Both must maintain a capital ratio to liabilities of 8 per cent. (incidentally, the highest in Europe). But while the savings banks are basically similar to non-profit-making foundations and raise their capital from profits, the commercial banks are able to increase their equity by issuing new share capital. This means that the savings banks must always maintain a capital ratio above the minimum 8 per cent. in order to allow for changes in the value of their liabilities, as represented, for example, by a fall in bond prices.

The biggest savings banks are comparable in size with the commercial banks. SDS has deposits of Kr10bn. compared with deposits of Kr.11.5bn. in Copenhagen Handelsbank and Kr.10.5bn. in Den danske Landmandsbank, the two biggest commercial banks.

The law on interest margins which came into force in March, was part of a broader incomes policy legislative complex. But it is regarded as a significant pointer to the growing tendency of the state to intervene in the affairs of the banks. The law put a ceiling on interest margins (the difference between rates on deposits and advances) at the average of the rates for the past three years.

The interest restriction coincides with other legislation on preventing businesses from widening their profit margins. In the case of the banks and savings banks, this means that they must not increase bank charges. Given that wage costs in banking have increased by over 20 per cent. a year for the past two and a half years, there is quite a tough squeeze on the ability of the banks to make money.

The banks have inevitably responded by turning their attention to the matter of wage costs. The Danish savings banks, as part of a project which includes the other Nordic savings banks, have already introduced one of the world's most advanced on-line data processing systems for clearing operations. The commercial banks, having learnt, as they say, from the pioneering errors of the savings banks, are now moving ahead with their own system, also advanced by international standards.

So far the system has not enabled the savings banks actually to reduce the labour force, but they expect that over the next few years it will enable them to make a reduction in manpower of about 3 per cent. a year. The banks expect that on-line system will enable them to save substantially on manpower.

In spite of the restrictions on earnings, the banks have not had much trouble making money so far this year. The monetary scene has been characterised by the growth of a very large central Government budget deficit, expected to amount to about Kr.12bn. this year on a budget of about Kr.65bn. The broad money supply has shown a growth over the past 12 months of about 18 per cent. Bank deposits have grown by about the same rate. But the recession has caused a slump in the demand for new credit, so that bank advances have barely risen over the past year. Last year the position was reversed, and the banks built up large debts with the Central Bank. The improvement in operating profits this year has therefore come primarily from running down this debt, which has anyway become cheaper to maintain with the fall from 10 to 8 per cent. in the official discount rate since January.

A 10-point increase in bond prices and a 25 per cent. rise in average share prices over the first eight months of the year contributed to a substantial increase in unrealised profits on bank security holdings.

The bond market has behaved unexpectedly this year. The slump in the housing was expected to lead to a marked falling-off in the supply of bonds with a consequent rise in prices and decline in effective interest rates. There has been a fall in interest rates, of course. They are now about 13 per cent. compared with 18 per cent. in July-August last year. But the fall in the bond supply was less than expected. The fi now becoming available that a large increase in c to industry and agricu through the bond marke counts for the situation.

Danish interest rates largely determined by the n sity of keeping them enough to prevent bu switching foreign credits krone credits, but with in tional interest rates still fa a further fall in bond ra expected.

Reasons

The bond market is now to foreign buyers, but they shown little interest. I bankers believe that fo investors made a mistak year in not coming int market when interest peaked at 17-18 per cent. age of liquidity and fears Danish devaluation were probable reasons.

Foreign investors have fought shy of the Copenh share market, but it is smal tends to be the last mark obtain the attention of inve outside Denmark. Howeve share market has defeated people's expectations this by rising 25 per cent. fro position at the end of last Brokers are flummoxed pressed for an explanation extreme liquidity of the ba system has much to do wi and there is a feeling institutional investors, who viously have treated shares utmost caution, are playi more active role in the ma

The economic policy co mise earlier this month gave a fillip to the ma partly because the deal tained a promise to ab double taxation of dividen 1977 (meaning the syste taxing dividends first via pany profits and then as sonal income).

Crisis

CONTINUED FROM PREVIOUS PAGE

fade away—he is no administrator or party organiser—but he has performed a democratic function.

Yet, at Christiansborg, the home of the Danish Parliament, the impasse persists and no government has yet emerged to give the country the clear-cut, long-term programme it needs. Numerically, the parties of the centre could produce a Heinz variety of 57 possible coalitions. But no two of them have been able to agree on a workable partnership, although to an outside observer their differences seem to be more pettifogging than real. The smaller parties fear that engulfment in a coalition could lead to their extinction. The ideal solution—the one which the big majority of Danes would welcome—would be the "historic compromise" between the Social Democrats and the Liberals. The hindrance lies in the conflicting personalities of the two leaders, Mr. Joergensen and Mr. Hartling, as much as in party rivalry or programmes.

Mr. Hartling, a theologian and educationist, is a man of uncompromising probity and political courage, who bears the credit for having held the country together during last year's surging inflation and at least pointing it in the direction of financial salvation. However, his autocratic mannerisms in dealing with his natural allies, the other bourgeois parties, and the losses inflicted on them in the election he called in January make it difficult for him to organise a united, non-socialist front and, as a matter of principle, he will not consider including Mr. Glistrup's Progress Party in any coalition. A burning ambition to be Prime Minister also makes it difficult for him to come to terms with Mr. Joergensen, who in any Social-Democrat-Liberal coalition would have prior claim to the premiership.

The bearded Mr. Joergensen is a kindly, sincere former trade unionist who has yet to persuade the country that he is a true successor to the Social-Democrat bosses of the past. He does have some things going for him, among them the belief, which is not confined to his own party, that modern Denmark can only be ruled by a Government led by Social Democrats. Other points in his favour are his success in warding off a general strike earlier this year, when wage talks between employers and unions broke down, and a revival of both energy and political responsibility among the Social Democrat trade union leaders. They have at least temporarily turned back the communist tide in the unions and have taken standpoints, for instance, on incomes policy, which should make it easier for Mr. Joergensen to get the economy moving again. Negative point in his favour is that any opposition party which brought him down would almost certainly incur the voters' displeasure.

Party strategists believe that, if Mr. Joergensen can survive through this year, he will be able to stay in office for another year at least. The party is starting its biggest ever campaign to promote a new programme, promising long-term planning of the economy, political decentralisation and the introduction of economic democracy. In practical political terms Mr. Joergensen has started to return the party to the centre, a move which should encourage the many Danes who want a non-extremist government and should also steal some of Mr. Hartling's thunder.

Forecasting is futile while Danish politics are so splintered and the timing of Europe's economic recovery is so uncertain, but one is left with the impression that the Danes' pragmatism will let them muddle through without going over the verge into either political or economic catastrophe. The more intriguing issue may be how they deal with the weaknesses in their social system highlighted by Mr. Glistrup. His slashings and thrustings must surely have some enduring effect.

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Since Britain joined the EEC, Denmark has felt free to pursue a more active trade and foreign policy. Trade patterns are shifting, but continental Europe is the likely growth area.

Active Europeans

OST DANES heaved a sigh of lief when Britain voted to iy in the EEC. That result t only removed the threat of ratious political complications, iich could have resulted in a nish referendum and possible thdrawal in turn from the ne, it also released Danish ergies to exploit their EEC embership. The British referdum more or less coincided th the return to office in the cial-Democratic Government a quite formidable duo, Mr. B. Andersen as Foreign nister and Mr. Ivar Noergaard Foreign Trade Minister sponsible for Common Market airs. They are energetic and perienced politicians who, at same time as they underline modest nature of any role it a nation of 5m. souls can pe to play internationally, are nvinced that Denmark's voice ould be heard.

Their presence guarantees it Denmark will pursue active eign and trade policies. Mr. ergaard's visit to Moscow lier this month offered a nple. His main purpose was promote the interests of nish exporters, in particular shipbuilders and those who ght join consortia bidding for jor Soviet projects, but t before his departure launched the idea of "umbrella" arrangement ween the EEC and Comecon, ich could break the present de deadlock between the two anisations.

Mr. Noergaard's argument s that the present situation h no agreement between the trading blocs favoured big intries and companies who ild deal directly with the itralised authorities in the st. It was in the small intries' interests to get agreent on a framework which uld determine rules and portunities for big and small e. Mr. Noergaard's initiative is both promoted Denmark's own interests and gave the EEC Commission a prod in the back. It also seems to have aroused interest in Moscow.

EEC membership has given Danish foreign policy a new dimension in that the Danes now have to consider and take standpoints on wider international issues than those they could be concerned with earlier. This is regarded very much as an opportunity. As one of the Nine Denmark was able to play a small but not insignificant role in the negotiations which led to final agreement in the European Co-operation and Security Conference (CSCE) and to signature of the final act in Helsinki in August. It was a Danish proposal that resolved the differences over the follow-up procedure to be adopted and produced agreement on a new meeting in Belgrade in two years' time.

Relief

Denmark's approach to the EEC is typically pragmatic—which is another reason for their relief at the result of the British referendum. In most instances—apart from the agricultural policy—the Danes feel that their own attitudes to outstanding EEC issues, such as political union, are close to the British. They are sensitive to the argument that the inevitable development of their trade will now carry them closer to the continental powers and diminish their traditional pro-British sentiments; even if this forecast proves to be correct in the long run, it is not a prospect they are willing to accept politically for the time being.

The Danish approach is that the EEC needs to concern itself with practical matters in the immediate future rather than to spawn more institutions in an attempt to achieve greater integration. They do not believe in a common foreign policy, although they believe that close consultation among the Nine can lead to effective joint initiatives. They regard the idea of an independent European defence as an impractical chimera and remain firmly wedded to the belief that European defence needs the involvement of the United States and Canada.

In July, when the idea of a political union was again mooted and Belgian Prime Minister Leo Tindemans was commissioned to start sounding out opinion among the Nine, Mr. Andersen said firmly in public that the EEC would do far better to concern itself with matters of practical substance, such as achieving a stable monetary system and making the Common Agricultural Policy more efficient, and Denmark's EEC commissioner Finn Gundelach was the only one who did not vote in favour of the Commission's report on European union.

On the Common Agricultural Policy the Danes do differ from the British. It brought them net incomes of Kr.2bn. (£160m.) in 1973 and Kr.1.8bn. in 1974 in FEOGA payments, the largest received by any EEC member. Understandably, they believe the CAP needs no fundamental revision but would like to see some of the machinery improved.

If EEC membership looms largest at the moment, it is important to remember that Danish foreign policy rests on at least three other cornerstones: NATO, co-operation with the other Nordic countries and membership of the United Nations. The European Co-operation and Security Conference (CSCE) has rather confirmed the Danes' belief in the value of NATO. The successful outcome of that conference, the Danes argue, has demonstrated that a firm Western defence and security posture is a prerequisite to negotiating detente with the Eastern bloc.

Denmark was one of the four European countries which earlier this year decided on the joint purchase of the General Dynamic F-16 as the replacement for its existing fighter aircraft in face of fierce competition from the French and the Swedes. If the group had failed to hold together, sentiment in Denmark might well have led the Government to favour the Swedish Viggen.

The Danes have sometimes seemed to be divided between their European and Nordic loyalties, but on the whole they seem to co-ordinate them successfully. They certainly helped the Norwegians and Swedes to negotiate their free trade agreements with Brussels. They deprecate the suggestion that they act as a bridge between the EEC and the rest of the Nordic group but Copenhagen does seem to function as something of a switchboard between the two.

Nordic co-operation is valuable for the Danes. The common labour market has enabled *many of them to find work in* Sweden and Norway during the current depression. Last year Denmark increased its exports to those two countries more than to its EEC partners and it is now about to participate in the new Nordic Investment Bank, which will, it is hoped, enable the five Nordic countries to raise more international finance and undertake joint projects.

There is a genuinely idealistic element in Danish participation in the United Nations, which is taken very seriously. At the recent extraordinary general assembly session on economic relations between the industrialised and developing countries Denmark remained in line with the Nine in rejecting the principle of index links between prices for raw materials and industrial products, but the Danes believe their largely non-colonial history and Scandinavian background could make them a more credible negotiator with the Third World than some of their partners.

There may be a contradiction in Denmark's attitude. She depends more than other industrialised nations on imports of raw materials and fuel and her shipping and shipbuilding industries are important currency earners. The Danes' self-interest demands that their terms of trade do not deteriorate further.

And as Foreign Trade Minister, Mr. Noergaard's fundamental concern must be the chronic trade deficit. In the first half of this year the deficit on current account shrank to Kr.500m. (£40m.) after invisible earnings of Kr.2.9bn., but this improvement was due more to the 18 per cent. drop in the volume of imports produced by the decline in domestic economic activity than to the performance of exports, which in fact fell 5 per cent. in volume compared with the first six months of 1974.

For over a decade Denmark has been running a trade deficit, tempered by invisible earnings, but met chiefly by a steady growth in foreign borrowing. Last year the current account deficit was just over Kr.6bn. (£480m.) and it is generally accepted that the improvement over the last few months can only be temporary: once the economy revives and import demand recovers, the traditional pattern will reassert itself. The long-term solution, it has long been accepted, must be to improve exports.

While farming still provides over 20 per cent. of Danish exports, if meat and milk preserves are included, the real growth point is in industry which last year accounted for close to 70 per cent. of foreign trade earnings, compared with under 50 per cent. in 1964. Danish membership of EFTA opened the way for the expansion of industrial exports in the 1950s and 1960s and entry into the EEC would, it was hoped, give a further boost.

Nearly 43 per cent. of Danish exports went to the Common Market last year compared with just under 30 per cent. to its old EFTA partners. But the EEC share in fact dropped nearly to the 1972 pre-membership level and sales to Sweden, Norway, Finland and Austria grew faster than those to the EEC. This was due largely to the weakening of the British and Italian markets. Britain, Denmark's biggest single export market, took only 17.1 per cent. of its total exports last year compared with 19.5 per cent. in 1973.

Corrected

This pattern has been corrected during the first six months of this year, despite an overall drop of some 6 per cent. in the volume of Danish exports, with the Common Market's share rising by 1.5 per cent. and the EFTA group sinking by 0.6 per cent., as the Swedish and Norwegian economies began to feel the effects of the recession. Britain's share rose again to just over 18 per cent. compared with 16.6 per cent. for the first half of 1974.

The Foreign Trade Ministry has been encouraging exporters to assay new markets in the Middle East and Eastern Europe (the motive for Mr. Noergaard's Moscow visit). The latest figures for trade with the OPEC countries indicate some success, Denmark's deficit with this group having been reduced from Kr. 2bn. in the first half of 1974 to Kr. 1.2bn. in the first six months of this year. A 21 per cent. decline in the value of fuel imports helped but exports were boosted 78 per cent. from Kr. 706m. to Kr. 880m.

The growth and pattern of Denmark's trade have been slowed and distorted by the recession in Western Europe over the past 18 months, and it has yet to take advantage of the opportunities offered by the 200m. Common Market population, especially in West Germany. But what the Danes have learnt from the recession is that they must also seek to diversify their foreign markets.

W.D.

After explosive growth in the welfare state in the 1960s, a stop has been called following the success of the anti-tax party in the 1973 elections. The ever-growing tax burden is the reason for the backlash and all State expenditure has been called into question.

Welfare services

E DANES were among the t to think out and accept concepts on which the fare State was built, but in 3 their own welfare State it critical. A whole collec of the underlying compliions of a large and rapidly anding public sector came to read in the 1973 election, eatening to blow the whole fare edifice to bits. Nothing te so drastic happened, even aphorically, and the welfare te is here to stay. But the efree expansion of the nteous 1960s has been laced by a mood of reluctant essity to preserve what there

he 1973 election (which irned 10 parties to the keting, three of them irely new, including Mogens strup's anti-tax Progress ty) was primarily a revolt inst taxation, but inextricy mixed with this were eleits of a moral and ideoical counter-revolution inst many of the attitudes intellectual fashions which it with the welfare losion.

stability

t is widely accepted that the rems of the 1960s went too for the electorate, and the recedented voting instabiwas partly a result of the ase which reformism proed. Ordinary people were ıused rather than impressed the victory of the progres movement in the schools by progressive penology, example. Many people who uld have been natural supters of the existing rightg parties were affronted en the right-centre coalition 1968-71 freed pornography introduced abortion-onnand. Glistrup and the new istian People's Party efited.

axation was the key proım, however. Public sector enue peaked last year at ıost 47 per cent. of the gross ional product, and as the tax tem is weighted in favour of ome tax, the tax burden not y is, but is felt to be, very vy. OECD figures published summer showed that the iish worker had the lowest osable income after tax and al security contributions and higher marginal taxes (61 cent.) than workers in other D countries.

he problems are intensified because increasing numbers of young people are continuing their education after leaving school and the age structure of the population is increasing the number of pensioners. The income-earning part of the population is falling in relative terms, so that, as Professor Tage Kaarsted, contempory historian has put it, "Never have so few paid so much for so many."

An important side effect of the high tax rates on middle and lower income groups is the anomally known in Britain as the poverty trap, but in Denmark social security benefits are so adequate that the term would be a misnomer. The poverty trap means that, when a low earner increases his income he loses social security benefits. The Social Democratic group on a Jutland municipal council worked out last year that over the income interval from Kr. 30,000 to Kr.70,000 it was almost impossible for a worker receiving council house income-linked rent subsidies to increase his real disposable income after tax. In fact, a worker has to rise to the income level of an army major or post office manager before real disposable income becomes *significantly* larger than that of an invalid pensioner living on welfare benefits.

If Mogens Glistrup, with his populist attacks on the "paper-pushing fatheads" of the public administration, was the political spearhead of the anti-welfare revolt, Professor Joergen Dich, an economist, was perhaps its chief theoretician. He attacked the inordinate growth of the public sector services and propounded the theory that the conflict between labour and the owners of capital (the ruling class, in Marxist terms) had been superseded by a conflict between those who work in the private sector and the vast army of "public servants," whom Prof. Dich dubbed the new ruling class.

As torchbearers of the welfare ideology, an ideology fully accepted by their counterparts in the private sector and by the politicians, the employees of the public sector were able to justify demands for whatever they asked for, expanding both their numbers and their incomes at the expense of everyone else, he said.

Someone once worked out that if the hospital services continued to expand indefinitely at the rate of the 1960s, by the early part of the next century there would be only two classes of people left in Denmark—the hospital staff and their patients. Two lengthy reports from the Ministry of Finance in 1971 and 1973 ("Planning Perspectives" I and II) demonstrated the consequences of allowing the growth of public sector consumption and investment to continue to expand considerably faster than the national product, as they did in the 1960s. By the mid-1980s taxation as a proportion of the national income would be approaching 70 per cent.

Efforts

The Government had begun to accept the consequences of these reports even before Glistrup shattered the political scene in 1973, but there is no doubt that his arrival spurred the other parties to greater efforts. Last year the Liberal Government managed to put through a substantial cut in income tax for 1975, the first time that income tax has ever been reduced. Further cuts have been promised by the present Social Democratic Government and its supporters.

In June, Finance Minister Knud Heinesen unveiled budget estimates for the next three financial years. They showed that real state expenditure (excluding wage and price increases) would rise by no more than half a per cent a year. Public spending cuts in connection with the income tax reduction involved the dismissal this autumn of 4,000 nursery school teachers, while a coming school reform will increase average class sizes.

The squeeze is on the universities, too, out of favour as a result of the student rebellion and its aftermath. Ms. Ritt Bjerregaard, Minister of Education, until recently thought to be an apostle of the party's Left wing, to-day talks like any right-wing populist. "If there was a referendum on the issue to-day, all research would be abolished," she thundered last month in an attack on the alleged irrelevance of much university research work.

But if both the political tone and the direction of policy have changed, it will only slow down the growth of the public services. They will not be dismantled, and although individual services may be trimmed back, the public sector as a whole is almost certain to go on growing quite vigorously for some time to come.

For one thing, policies already set in train will lead to a large increase in the population undergoing further education and in the number of disablement pensioners. The number of old age pensioners is also increasing steadily. Altogether, according to the second Perspective Planning report, there will be a 30 per cent. rise in the "passive" sector of the population between 1972 and 1987. Public sector employment is expected to rise by no less than 70 per cent. in the same period. This combined 40 per cent. increase in those receiving their incomes through taxation will be supported by an employed population in the private sector which is expected to fall by 6 per cent.

The report's forecasts for the public sector and "passive" population groups have so far been exceeded, but unfortunately there is a large shortfall in its estimates of the national income growth and investment in the productive sectors of the economy which were considered necessary to sustain a balanced economy. This inevitably raises the question whether the promised tax cuts can be realised *without further drastic* restraints on the public sector, restraints which would produce reduced standards. The public might find this as unacceptable as high taxes. It is a Gordian knot.

Paradoxically, in view of the prevailing attitudes to public expenditure, few people expect there will be a resurgence of political and economic liberalism. There are at least three reasons for this. The first is tactical. Glistrup has split the political Right, handing the initiative to the Social Democrats. Second, there is a widespread conviction that the Social Democrats and their powerful allies in the trade union movement will in the long term succeed in introducing some form of economic democracy, by which the rights of shareholders are gradually transferred to the wage earners via the trade unions.

Third, the generations of university students which began to emerge in the late 1960s are overwhelmingly Marxist, and as they begin to obtain positions of importance in politics, the civil service, educational system, the media and so on, it is argued that they will successfully bring society round to pursuing socialist solutions to its problems.

H.B.

DENMARK IV

Agriculture

Danish farmers have experienced both good times and bad during recent years. There is little cause for long-term gloom, although there is a growing need to attract young people into farming.

SINCE 1973 Danish agriculture has had to absorb a series of upheavels. The impact of joining the EEC, the rise in world food prices, the oil crisis and its consequences, the dollar-rape of the pigmeat canning and processing industry, and the devaluation of sterling and changing U.K. bacon habits. In their various ways, these factors have all had, and are still having, a permanent influence on the development of the Danish industry.

Agriculture emerged into the 1970s heavily supported by subsidies, the income of the average farmer well below the income of the skilled worker in urban industry, and heavily indebted. The number of agricultural properties fell from 196,000 in 1970 to 130,000 in 1974, and the number of those employed full time in farming fell from 300,000 to 140,000. But the period of waiting for EEC membership was not so much one of decline as rationalisation. The average farm size rose from 15.8 ha. in 1960 to 22.4 ha. last year, and the declining agricultural population sustained a more or less unchanged level of output. The rationalisation process was also painless and caused no protest movements to emerge. Booming urban industries absorbed the labour which left the land without any trouble.

Agriculture's relative importance to the economy declined sharply through this period. In 1960 agricultural exports, including the products of the canning and processing industry, accounted for 52 per cent. of exports. Last year the proportion was down to 26 per cent. But the net foreign exchange earnings of agriculture, as the farmers' leaders never tire of pointing out, is still high—amounting to about Kr.6bn. last year for primary agriculture, excluding the canning sector.

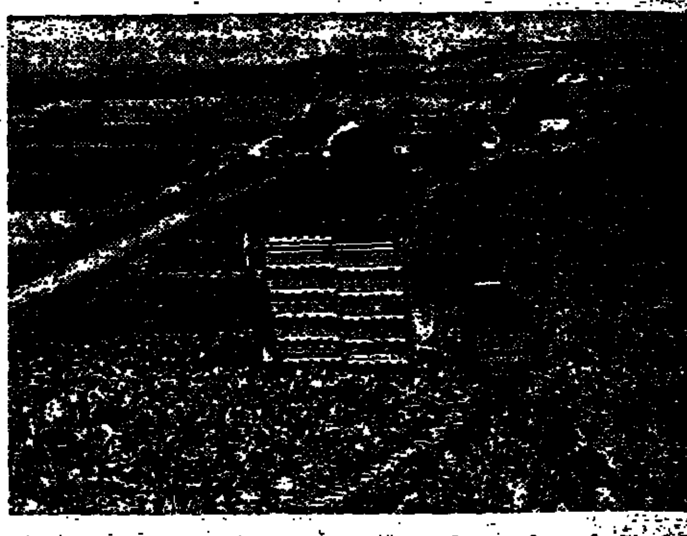
EEC emembership promised to restore the economy of the sector, which it did in 1973, with high world food prices adding a bonus. Agricultural export income shot up by 45 per cent. or Kr.3bn. in 1973. All the direct subsidies were removed at a stroke, but nevertheless average farm net incomes rose by 33 per cent., catching up for the first time for a decade with the industrial worker's earnings.

The euphoria was short-lived, however, partly because conditions deteriorated again for the pig and poultry farmers and the price of fertilisers rose, and partly because the farmers felt themselves to be the victims of an unprecedented political hostility. Not only were all the subsidies removed overnight, but new land taxes were imposed on the farmers and capital gains taxes were increased. The persecution of the farmers, as the farmers see it, had serious and measurable consequences in the form of keeping young farmers from coming into the industry and making older farmers hang on to their properties because only the Minister of Finance had anything to gain by their selling. This has detracted from the dynamism which should have come from an influx of young blood.

The long-term prospects for the future of agriculture were assessed in two lengthy reports which came out in 1973, an official report which said that output should rise by 3 per cent. a year from 1972 to 1987, with a 6 per cent. annual fall in the labour force being compensated by a 6 per cent. rise in productivity. A condition of increased output, however, was an increase in investment at an annual rate of over 10 per cent. in real terms. The other report, by economists from the Royal Agricultural College in Copenhagen, concluded that output would remain virtually unchanged, but it assumed a lower and probably more realistic investment growth.

So far both reports are slightly off course, as output of animal products has increased by between 1 and 2 per cent. a year, but with considerable variations regionally and between the most important products. More and more of the output of pigs and cattle is coming from Jutland, while the farmers in eastern Denmark, where the soil is in general of much better quality, are taking their earnings on corn and other arable crops.

A more unexpected development is the swing into the cattle sector and out of pigs. After declining steadily since the early 1960s, the dairy herd is now recovering. Since June, 1972, the cow herd has risen from 1.12m. to 1.17m., and the number of bullocks from 352,000 to 523,000 (down on last summer's peak of 535,000). The pig herd in the same period has fallen from 8.3m. to 7.7m.



Mechanisation of Danish agriculture has halved manpower during the past ten years.

While pig slaughterings fell 4 per cent. last year, and are expected to show a further fall of about 5 per cent. this year, beef and veal production jumped from 204m. kg in 1973 to 216m. kg in 1974 and has continued to rise this year. It is not only improved prices in the EEC which have encouraged the dairy farmers and beef producers (and they are usually one and the same under Danish conditions), but the fact that the EEC's intervention system, which provides the farmers with a safety net, works more smoothly and efficiently in these sectors than it does in pigmeat sector.

Developments in the pig sector, on the other hand, have been decidedly disappointing over the last two years, and the pig breeders and the canning and processing industry are faced with several discouraging prospects.

The canning industry, which exports about 35 per cent. of its output to the U.S. and another 35 per cent. to the U.K., is the victim of multiple injuries. In the case of the U.S. market, demand slumped last year, the dollar price fell, the dollar was devalued, and the EEC's export restitution payments were cut. At the same time, costs in the Danish slaughterhouses soared. Exports to the U.S. in the first half of this year were 30 per cent. down on exports in the same period last year. With sales to the U.K. also falling, the canning sector has cut back its labour force by about a quarter over the past year. Industry spokesmen now hope that the U.S. market will stabilise at about its present level, but they are not optimistic about the U.K. market. This leaves them wondering whether they can break into the continental market, which requires new products, a new sales apparatus and, preferably, a heavier pig than the streamlined bacon animal.

As for bacon, the situation in the U.K., which last year accounted for 45 per cent. of total agricultural exports and over 50 per cent. of pig meat exports, has the pig producers twitching nervously. Demand for bacon is falling off because the bacon-and-egg breakfast habit is losing its hold on the British public and at the same time the real purchasing power of the U.K. consumer is in steady decline. This is reflected in the devaluation of sterling, for which the Danish farmers receive EEC monetary compensation, but this only amounts to about half the effect of the devaluation.

The dilemma again is that there is no simple alternative to the British market. Excellent prices can be obtained in other non-EEC markets (in Japan this summer, for example), but these markets are not stable and are liable to be closed overnight by import restrictions. There is a potential market in the EEC, but it requires the heavier pig. The Danish bacon factories export association is currently conducting a large-scale experiment in slaughtering the heavier pig in order to establish the costs and potential profitability of moving into this field, but it is a long-term project aimed at a market which is already highly competitive.

In spite of the problems and disappointments which the farmers feel they have experiencel since 1973, probably the best year they have ever had, the are good reasons for ending an optimistic note. The chan in the relationship between price of corn and pigmeat made pigs profitable again year. The capital gains tax modified this summer should speed up the chang generation which is so urge needed in the age-heavy fa population. Protein prices h fallen as well, benefiting dairy and cattle farmers, although fertiliser prices h risen, this does not affect ability to compete against mers in other countries.

Dropped

At home, mortgage inte rates have dropped from 18 cent. last summer to about per cent. to-day, and prices wage costs have stabilised rate of increase which is in with developments in other EEC countries. Inv ment activity seems to be h with mortgage credit to agri ture increasing by over 50 cent. in the first half of year.

The farmers have alw claimed that the real benefi the EEC was that it w enable them to compete equal terms with the less cient Continental farmers. only fly in the ointment is while the Danes have scr lously refrained from i ducing any form of nati support for the farmers, ev one else has introduced form of subsidy. It is too to regret their virginity and the cardinal desire of farmers to-day is the aboli of national support meas and a restoration of compet on equal terms.

H

Industry

Danish industrial philosophy concentrates on making high-quality products in small quantity for limited and specialised markets. Exports have been hit during the past year, but there are still markets, even within the EEC, that can be exploited.

DENMARK HAS no industrial policy—at least not of the kind which is conducted in France or Sweden and which Britain may be said not very successfully to pursue. Instead, the Danes have developed an industrial philosophy, the so-called "niche" philosophy, under which their companies make sophisticated, high-quality products for limited markets not covered by the mass producers. It is a philosophy particularly adapted to a small nation with no indigenous resources and, remarkably for a Scandinavian country with a strong Social-Democrat tradition in government, it is firmly centred in a belief in liberal, free market economics.

The philosophy has motivated a swift growth of Danish industry, especially since World War II, to a position where it accounts for some 20 per cent. of the gross national product and nearly 70 per cent. of the country's exports. Over the past 12 months, however, industry has been hit hard by the conjunction of worldwide economic recession, the rise in fuel prices and soaring labour costs. The result has been much talk about the need for an industrial policy.

The Federation of Danish Industries called for a long-term industrial policy, when asked by the Government to submit its views in the consultations leading up to formulation of the recent short-term economic expansion programme. The Liberals, the leading opposition party, have been holding out for long-term planning in favour of industry. A leading trade unionist has suggested the time was ripe for the appointment of a minister for industry.

Blossomed

The question is whether the demand for a Government policy has blossomed out of industry's current difficulties and will fade once the market recovers or whether it responds to a genuinely felt long-term need. Denmark's few big capitalists certainly oppose any increase in Government involvement in their affairs, and they are supported by the bulk of the self-made businessmen who run the numerous small family concerns and companies. But many of the technocrats and professional managers running the medium-sized companies seem to feel that a moment of truth has arrived for Danish industry, which calls for a concerted national policy.

Like many of its counterparts in other countries the Federation for Danish Industries, whose members span a wide range of interests, is divided on the matter. Although it asked the Government to formulate a long-term industrial policy, it does not seem to have very clear ideas about the content and extent of such a policy, and some of its more powerful members even object to the limited intiative it has taken so far.

Apart from the railways, the post office and an infant oil and gas company, the State has almost no direct participation in industry. The big majority of Danish businessmen want to keep things that way and are highly suspicious of the Social Democratic Party's revived interest in the idea of economic democracy.

It is admittedly not easy to define an industrial policy for a country which has given little thought to it in the past and has managed quite successfully without one until now. Danish industry is a model of small, private enterprise. It has only a handful of large companies and practically no heavy industry but is represented in most light industry fields. OECD statistics dating from 1971, but which are still generally valid, show that only 16 per cent. of the Danish industrial labour force is engaged in concerns with 1,000 employees or more; this compares with some 42 per cent. in Sweden. In contrast, about 38 per cent. of Danes work in concerns with less than 100 employees.

When Norwegians and Swedes were emigrating in their thousands to the United States, the Danes were living well from their farming and at the same time developing a sound educational system. In consequence, their rather late entry into industry was agro-based and led by well-trained engineers and chemists. Their major companies still specialise in farming and dairy plant, construction materials and chemicals.

From the chemicals and fertiliser side has sprung an advanced pharmaceuticals branch, while more recently Danish inventiveness has produced a swift expansion of specialist electronic and machinery manufacturers. Thus Danish industry is highly diversified and, although there have been surprisingly few failures considering the smallness of many companies and the sharpness of the competition, there is considerable mobility with company fortunes waxing and waning in line with product and market changes.

Government policy of maintaining high domestic interest rates, in order to compel firms to borrow abroad and help meet the payments deficit, has been grumbled at but has not seriously handicapped industry in the past. The banks have become skilled at raising loans for even small companies abroad, and Danish companies have not suffered from a lack of loan capital. During the boom years up to 1973 they were also able to command high prices, profits were good on average and many companies were able to increase productivity speedily through investment in efficient, up-to-date equipment.

Doctrine

From these premises the Danes developed their "niche" philosophy during the 1960s. One of the most cogent exposés of this doctrine, which is fundamentally a product philosophy, was given in a lecture earlier this year by Mr. H. K. Joergensen, Managing Director of the DISA group. A basic principle is that it is better to go for a large share of a limited market than to win a small share of a large market, because a small producer on a large market will always have problems in meeting the low unit costs of his bigger competitors. A Danish managing director will, therefore, look for a market that is not too big for him to cope with and in which he can hope to meet the research and development costs.

"If anyone came to me with a professional electronic product and said there is a world market of Kr.2bn. for this, I would say, No, thank you," Mr. Joergensen says. "We know that an advanced electronic product has a research and development input of between 10 and 14 per cent. A competitor with one-third of the market would thus have put in 10 per cent. of Kr.2bn. divided by three—Kr.66m. in research and development expenditure. We cannot match that and the battle would be lost in advance."

A Danish electronics company will find a "niche," a limited market which it can supply with products containing a large research content, of high technical quality and commanding good prices, which will enable it to pay its skilled labour high wages. The corollary for this type of operation is that the company must continously come up with fresh ideas for product renewal; it must aim always to have something up it sleeve.

Several internationally known Danish companies illustrate the philosophy. Danfoss, which started with an automatic refrigeration valve, has become one of Denmark's largest concerns with an annual turnover of Kr.1.5bn. due to its planned product development, which has led to a series of automatic controls, speed regulators, hydraulic components, compressors and components for burners and boilers.

But even Danfoss has felt the current slump and has been reducing staff, more through natural wastage than through dismissals. The drawback to being a components supplier is that, while it offers flexibility and allows for quick adjustment to market fluctuations, it will be hit by a general depression. For any industry as export orientated as the Danish, the kind of recession from which Western Europe has been suffering is painful. Danfoss is solid enough to get by but other concerns facing mounting costs on a declining market have been hard pressed.

In its memorandum to the Government calling for a long-term industrial policy, the Federation of Danish Industries summed up the situation. Taxation resulting from development of the social services has risen more steeply in Denmark than in any other industrial country. The hourly wages in Danish industry doubled between 1963 and 1970 and have doubled again since 1970. Price regulations and inflationary cost rises have undermined company earnings and capacity to reinvest; industrial investments dropped by 1 per cent. in 1974 and are calculated to fall another 15 per cent. this year.

Order stocks at the end of June were 10 per cent. lower than a year earlier. Industrial exports fell by 6 per cent. in real terms in the first six months of this year compared with the corresponding period last year. Capacity utilisation averaged between 70 and 75 per cent.

The Government offered the short-term expansionary package outlined elsewhere in this Survey and declared its intention to operate a long-term policy to help industry. The Federation was seeking a series of Government measures, including wage restraint, cost stabilisation strengthened by tax cuts and savings in public spending, easier access to finance, insurance against currency losses, the abolition of double taxation on shares, changes in price regulations, soft loans to meet the cost of introducing environment protecting equipment and a long-term improvement in the depreciation allowances combined with a system which allowed losses in one year to be spread across more than one year for tax purposes.

It was an impressive shopping list, but the mainly fiscal measures asked for scarcely add up to an industrial policy, which would have to concern itself with the future direction and the shape of Danish industry. There is room for further restructuring of industry. The textile industry, which for long survived on design and quality, needs to be primed and the excessive emphasis on construction, which has for long distorted economic development, should mean a paring d among the building and b ing materials companies. the other hand, electro pharmaceuticals and machi manufacturers could be moted.

The odds are against Danes getting a formal in trial policy. Their natural p matism is not conducive t long-term planning; there is evidence that the Governm is really interested in formu ing a policy and many lea industrialists anyhow feel a sion to greater Governm involvement in their affairs.

The best that can hap would be a change of emph in favour of industry and rapprochement between ployers and unions. The for leader of the metalwork union has just suggested tha was time to stop regard "profit" as a dirty word, change of emphasis which dustry would probably welco more than a considered Gove ment policy. It will also argued that market forces bring about the necessary structuring of industry, p vided only that the Governm refrains from interfering to p serve those branches wh need to be cut back—a restra which may not be easy for administration worried abo employment.

Efficient

Basically one is left with t feeling that Danish industry vital and efficient enough look after itself. It makes after all a totality no bigg than that of the Hamburg ar in West Germany, and wi access to the wide EEC mark which it has not yet real started to exploit, it should able to find the "niches" requires. The present tre towards joint marketi arrangements should help.

One of Denmark's mo eminent economists, Profess Thorkil Kristensen, remark earlier this month that t prospects for the small a medium-sized Danish concer were better than pessimists b lieved. More and more bi international companies we handing over specialist man facturing to small sub-contra tors, whose size enabled the to decide more quickly on th innovations needed to mee their customers' demands.

Danish industry's major cu rent problem, the partial co lapse of its foreign markets, i imported. Recovery in thes markets will revive Danish in dustry. At home it can get b very well without an industria policy, provided the Govern ment remembers that expensiv social services need a sound production base.

W.D.

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Copenhagen, in spite of its high prices, is achieving a growing success as a conference and tourist centre. But its transport system is under pressure and companies are beginning to look for cheaper labour and more space.

Copenhagen

...NMARK IS largely English-...ing, clean, a country where ...can still walk alone at ..., and the Danes are rather ...fly," says Mr. Gunter ...er, marketing manager of ...anish Convention Bureau. ...rt explanation of Copen...'s continued success in the ...ational business congress ... trade exhibition field, ...d, though fighting off ...al recession and increas... tough competition from ...est of Scandinavia, few of ...untry's foreign exchange ...ng industries have done as ... To the certain knowledge of the Convention Bureau, Denmark has so far this year played host to some 80 international conferences and it is Mr. Rehder's "conservative estimate" that the actual total is at least double. This is better than last year and though, by one of the quirks of the business, next year's bookings do not look promising, the prospects for 1977 are fairly rosy. And, as a polished symbol of confidence in the future, the Kr.223m. glass palace of the new Bella Centre was officially opened by Queen Margrethe on September 5—the biggest exhibition centre in Scandinavia and the only centre in Europe with permanent mart, conference and exhibition facilities under the same roof.

It was the old Bella Centre (built in 1965 and which by the terms of the 12-year lease from the municipality of Copenhagen is supposed to be dismantled, but which may yet be used for some social purpose) that helped establish the city as the region's leading shop window. Owned by a consortium of the State, the city, a number of banks and the Industrial, Agricultural, Wholesale and Retail Boards, the new centre lies handily between Kastrup, Copenhagen's airport, and the city centre. It will house in its 260,000 sq. metres of permanent exhibition space the Scandinavian Home Furnishings and the Scandinavian Fashion, and hopes eventually to find a permanent resting place for Scandinavian Gold and Silver and Handicrafts. This, collectively dubbed the Scandinavian Trade Mart, forms the new centre's core. The centre's Congress facilities can house up to 4,000 people if necessary, although the main hall can be split three ways. Grandiosely referred to by the management as a "commercial communications centre," the Bella Centre also throws in marketing research help, a marketing information "bank," two TV studios and a special Bella Centre TV production team for the use of exhibitors. With 30 fairs and exhibitions booked for next year and 20 conference bookings made up to 1980, the centre hopes to double its turnover by 1980.

Older

Of course, there are still the older conference centres, notably the Falkoner centre, a member of AIPC (Association Internationale des Palais de Congres). And the shipping line, DFDS, also provides a floating conference service on its various routes.

Mr. Hansen, Deputy Director of the Bella Centre, himself points to a recent survey showing that the Bella Centre alone will create demand in its first year of operation of some 250,000 to 300,000 "bed-nights" in the city and that this could rise to 500,000 by 1980. The opening within the past four years of the Sheraton and Scandinavia hotels, with nearly 2,000 rooms together, has helped to ease the shortage that had hitherto existed. And the Penta group has also recently refurbished and expanded an old hotel. Capacity would have been further increased if the British Magnum group had not had to abandon a large hotel project because of financial difficulties at home. The Bella Centre may itself help to finance a new hotel next to its site, but is hanging fire for the moment, arguing that the city's existing hotels are not yet bursting at the seams.

Diminish

Those Danes worried about Copenhagen's rapid growth take some comfort from the fact that the size of conferences has of late tended to diminish—some 80 per cent. have less than 200 participants. But tourism has not let up. The foreign exchange earnings in the first five months of this year were Kr.1.2bn., up 14 per cent. on the same period last year. The top spenders are the Swedes, the West Germans and the Americans in that order—with the Norwegians and the British a long way behind in fourth and fifth places. Worried, like the Convention Bureau, about the deterrent effect of Denmark's high prices (and they are very high) the Danish Tourist Board is throwing all the country's resources into the front line, even offering a tour of the social services, creches, old people's homes, etc. It also runs a tourist complaint service—suffering, to paraphrase Shakespeare's Danish prince, the slings and arrows of outraged tourists. Danes tend to raise a bemused eyebrow when foreign visitors still slaver about Copenhagen's reputation as the sex capital of Europe. For them the fuss about the legalising of pornography has long died down, and almost all the "live sex" shows have apparently closed down through lack of interest.

The second strain placed on the city by its development as a conference, trade and tourist centre is transport. Kastrup, which handled as many as 8.1m. passengers as long ago as 1972, is Europe's fifth busiest airport. A new airport has long been proposed on the Danish mud-flat island of Saltholm, which lies in the Sound between Denmark and Sweden and which would be joined to the former by a tunnel and to the latter by a bridge. It had been agreed, by treaty, that Sweden would pay for the tunnel and bridge and Denmark for the airport. But this spring a majority emerged in the Folketing against the plan, largely on the grounds that the energy crisis and a slackening in air traffic growth postponed the need for such an airport. As a result the two governments have dropped the plan, agreeing to look again at it in 1977.

One of those passionately in favour of the early building of Saltholm is Copenhagen's veteran Lord Mayor Urban Hansen. He is very worried about the general growth of the city and argues that Kastrup can never handle more than 12m. passengers a year, that it restricts housing expansion and that Saltholm could comfortably bear 40m. passengers a year. Already the city has lost much of its traditional shipping role to ports like Gothenburg and Hamburg, despite low harbour taxes and a good workforce.

Students

Copenhagen, Mr. Hansen gloomily points out, is now the same size as in 1930, having lost some 200,000 people to the suburbs and other parts of the country since 1950. The wage earners have left, the students have moved in to take advantage of the State footing the bill at the numerous educational facilities of the capital, and the pensioners (who now form 25 per cent. of the population in Copenhagen proper) have stayed. As the city's tax base has been eroded, demands placed on municipal finances by social service programmes have also risen. The Lord Mayor points to the example of the 2,700 old people's flats that have been built in the last ten years and which now each cost Kr.100,000 to run. Many of the city's companies are beginning to move elsewhere in search of cheaper wages and more space. In 1973-74 the tax base shrank by Kr.126m., largely because IBM chose to go elsewhere, and in 1974-75 423 companies left and the tax base shrank a further Kr.137m. Copenhagen, in the view of its Lord Mayor, certainly needs those businessmen and tourists.

David Buchan

The people of Jutland have in the past shown strong resentment of Copenhagen's dominance in Danish affairs. But today the Jutlanders can point to a solid record of industrial growth, made easier by the ample resources of available land and labour.

Jutland

...HAGEN IS wonderful, ...ful, as Tommy Steele ...t, but there are about ...anes who do not live ... environs of the capital ...o are less than con... that the city is so ...le. In fact, the domin...f the capital and its ... in the Danish way of ...out a third of the popu...s concentrated in the ... a source of constant ...n to the other two-...

... most influential and ... newspapers tend to read ...be Copenhagen local ... The State television, so ...vincials argue, has a ... fixation, physically and ...gically. The metropolis ...m hold on cultural life, ... is nice for the Copen...s, but the Jutland ... strongly resent paying ... subsidise the theatre ...ra-going activities of the ... Copenhagen.

...nd

...ng apart, the Jutlanders ... people of Funen, the ... in the Belts between ... and Zealand, feel that ...ally, at least, they have ...ot to boast about. Of the ...y few Danish companies ...names are well known ... most come from Jut...ego, the manufacturers ...plastic bricks, Bang and ... television sets and ... equipment, Danfoss, ...k's biggest industrial ..., making automatic ...ture control equipment, ...ip, canned and packed ...

... capital of Funen, of ... is Odense (emphasise ... pinch the nose as you ...ugh D, ignore the E, ...notice the N and con...th a "ze" and you may come somewhere near the correct pronunciation), best known as the birthplace of Hans Christian Andersen, but also Denmark's second biggest industrial centre after Copenhagen.

Twenty years ago Jutland and, to a lesser extent, Funen were very obviously the poor cousins, with a markedly lower income level than Copenhagen, consistently higher-than-average unemployment rates, a much lower degree of industrialisation, and high local taxation levels. These symptoms have not been entirely eradicated in all areas, but the differences between the Jutland towns and other towns are to-day much narrower than they were. On a visit to Jutland last month, the proud boast of several towns was that, although the recession had hit them hard, their unemployment rates were only average for the country.

The explanation for rapid improvement in the absolute and relative positions of Jutland, economically speaking, is that, when the post-war industrialisation boom set in from 1958 onwards, Jutland had a lot of catching up to do, but this in itself was an advantage. There were ample resources of land and labour, both endemically in short supply in the Copenhagen region and much more expensive there. Most of the best known Jutland companies have to all intents and purposes grown up since the war, while the best known companies in Copenhagen, East Asiatic, Carlsberg-Tuborg, A. P. Moeller, for example, date back to the turn of the century or earlier.

Interest in Jutland as an industrial area stems not only from its advantages over Copenhagen but also from the peninsula's strategic position in relation to Germany and the other Scandinavian countries. Now that Denmark is a member of the Common Market, proximity to Germany and the large market in the Hamburg region should be an advantage, though there is one impediment. The regional development benefits offered by Schleswig-Holstein are better than those offered in the regional development areas of Jutland. It is a sore point, which the Danes are trying to sort out through negotiations with the German Government.

With the exception of the area round Arhus, population 240,000, Denmark's second city, and south to Kolding and west to Silkeborg, Jutland constitutes a regional development area. The northern tip and the extreme south-west corner are classed as special development regions.

In both classes of development area, municipalities can obtain State loans covering 75 per cent. of the cost of erecting factory buildings for lease to companies. Companies themselves can obtain State loans on favourable terms for establishment in these areas, and in the special development regions State investment grants covering 25 per cent. of total investment costs are available. State loans are given at 7.5 per cent. interest over 20 years for fixed plant and ten years for machinery and equipment. Deferment of repayment is permitted in order to give companies time to overcome initial difficulties.

Assistance

These programmes are administered by the Regional Development Directorate in Silkeborg. The Ministry of Labour operates a supplementary programme for providing financial assistance toward the cost of training labour required for the establishment or expansion of industrial companies in the development areas.

In the current financial year the Directorate will have over Kr.200m. to make available from Danish sources, plus Kr.37m. from the European Investment Bank. At a time of considerable difficulty for Danish industry to switch their decline in new investment, it is notable that there has been no falling off in applications to utilise the regional development funds.

Jutland's connections with the rest of the world are excellent. There are links from Copenhagen to Arhus, Alborg, Billund (the Lego plant), Esbjerg and Soenderborg, as well as to Odense. There are ferry connections from north Jutland to Gothenburg and Oslo, while Esbjerg on the west coast, population 80,000, is the country's biggest container terminal, the centre of the bacon and butter trade with Britain.

A century ago most of Jutland was covered either by moorland or sand dunes. The land reclamation of the last century, much of it carried out by men trench-digging the sandy areas to turn up a modicum of fertile soil, enabled the peninsula to become the backbone of Denmark's agricultural wealth in the early part of this century (and still to-day if you want to find the modern Danish farms you have to go to Jutland). Their inheritance is said to have left the Jutlanders rather dour, but Kai Munk, the greatest Danish dramatist of this century, who was also a village pastor on the west coast, advanced the theory that the west Jutlanders and their neighbours on the east coast of England understood each other perfectly. For both of them, speaking mostly consisted in saying nothing, he said.

H.B.

The Danish engineering industry concentrates on using the country's "knowhow" by dealing mainly in specialised goods and leaving the mass markets to bigger concerns. Although the recession is beginning to bite trade with Denmark's Nordic partners has held up well.

Engineering

THE DANISH engineering industry has a long period of fast export-led growth behind it. This has been maintained into this year when, in the first six months, exports of non-electrical machinery (the shipbuilding and electronics sectors are considered elsewhere in this survey) rose by Kr.614m. compared with the same period last year to a level of Kr.3.6bn. A stout performance from a sector that is by international standards a collection of micro-dots. Of the 2,500 member companies of the Federation of Danish Mechanical Engineering and Metalworking Industries, 90 per cent. employ less than 100 people. In what is very much a Danish phenomenon, many of these tiny companies have helped each other into the export market by group or informal consortium operations—a trend encouraged by the Federation of Danish Industries which will provide up to 50 per cent. of export promotion only for groups of 4 companies or more. Alternatively, many of Denmark's small exporters have been able to place their products with trading houses, like the giant East Asiatic company which has 250 branches all over the world.

But the real success of Danish engineering has been to use Danish "knowhow" to sell "niche" (two favourite words on the lips of Danish managers) or specialised products—whether components for other countries or finished investment goods. The formula is to leave the mass markets to the bigger boys, and exploit high Danish educational standards to get a good price for a quality product on a limited production run. But general recession is beginning to bite, though perhaps a little later in Denmark than elsewhere because trade with its Nordic partners has held up well. One problem about all those specialised "niche" products is that they are relatively price inelastic and therefore there is little scope for price cutting. An unpublished survey by the engineering federation of its 131 biggest members, accounting for half the industry's production, shows that turnover rose 26 per cent. last year on the previous year, but profits were up only 3 per cent. As this was in current prices, it indicates a net loss.

Innovation

More important for a country that prides itself on its innovation record, investment is slowing down (fixed assets increased only 13 per cent. between 1973 and 1974) and much less of this has been self-financed. Like the Danish State, engineering has been a heavy foreign borrower; between 1973 and 1974 borrowing from abroad, both short and long term, rose by 47 per cent. in those companies sampled by the federation. The most optimistic forecast puts the increase of sales this year at 5 per cent., and the general view is that investment will stagnate for much longer. Probably the only short-term effect of the Government moves in the first part of September to reflate the economy will be in the household machinery sector, which is not large.

All is not gloom, however. There is the political windfall of the subcontracting on the General Dynamics F-16 fighter that is to be spread between the four European Nato countries buying the American aircraft. A number of Danish engineering companies is bidding at the moment for the Kr.1.8bn. in work that the F-16 will bring over the next ten years. One such is the highly successful DISA (Dansk Industry Syndikat A/S), which is tendering for the ammunition handling system, the fire control system and gearboxes on the aircraft. DISA's vice-president, Mr. Per Soholm, thinks that DISA is in a strong position for these orders because with the backing of the A. P. Moeller group it has more financial scope than many companies of similar size and because of the company's reputation for precision equipment built on the Disamatic foundry of which 520 have been sold world wide since 1964. DISA is typical of the industry in concentrating on a few proven product lines.

Denmark has had a surplus on know how in the traditional sense of licensing since 1961; last year know how exports amounted to Kr.342m. and imports to Kr.252m. and this surplus has trebled in the last ten years. But what has stimulated the whole of Danish industry, and not just the engineering sector, has been the new shape that know how exports have been taking—the turnkey idea. The concept, whereby a complete hotel, housing project, foundry, slaughter house, dairy or brewery is delivered to the customer who has only to push a button or turn a key, is particularly well suited to Denmark for two reasons. The first is the Danish habit of group collaboration. The second is that Denmark has long prided itself on its concern for the less developed world which is precisely where the demand for turnkey projects is, for obvious reasons, the greatest. The Danes are, for instance, great coffee drinkers and since 1967 the proceeds from the import duty on coffee have supported the Industrialisation Fund for Developing Countries which helps Danish companies to go into joint ventures in the Third World. Danish managers also feel that the low political profile of Denmark and the small, unassuming size of the country is an important factor when developing countries come to choose which business partners to embrace. Not surprisingly, the oil rich Middle East is now a prime target for Danish turnkey exporters. Danish exports in general more than doubled to the Middle East OPEC countries to Kr.685m. last year. That was just as well because Denmark, which has virtually no energy supplies at all, had to import Kr.3.26bn. from the same countries.

Apartments

Last year Denmark signed a co-operation agreement with Iran which stipulated that Danish companies were to build 100,000 apartments over five years and two of a complex of a dozen new hospitals that the Iranians are planning. For the housing project, the five biggest Danish companies in the prefabricating field have combined to build the apartments on a turnkey basis. One of the hospitals that was to be built by the Danes has been postponed by Iran and the other contract, it seems, may in fact go elsewhere. But two Danish companies have put in a tender for it—Danish Turnkey Hospitals, led by the contracting company of Hojgaard and Schultz, and Danish Turnkey Projects which is an offshoot of Danish Turnkey Hotels. Hojgaard and Schultz is already heavily involved in the turnkey housing business, having just set up a $120m. plant for prefabrication in Libya, and is also negotiating with Saudi Arabia to set up a network of some 20-25 small hospitals (200-250 beds).

Danish Turnkey Hotels was one of the first formally to enter the turnkey business, in 1968, and has been one of the most successful. It has, for instance, built some 12 hotels in Africa at a total cost of $50m. And it has also acted as the central purchaser for a considerable amount of Danish stainless steel equipment—as a byproduct of its hotel contracting experience—for developing countries.

Its managing director, Mr. Ole Rehfeld, likens his company's system to that of the shipbuilding industry in that it will give a complete quotation just on the specifications.

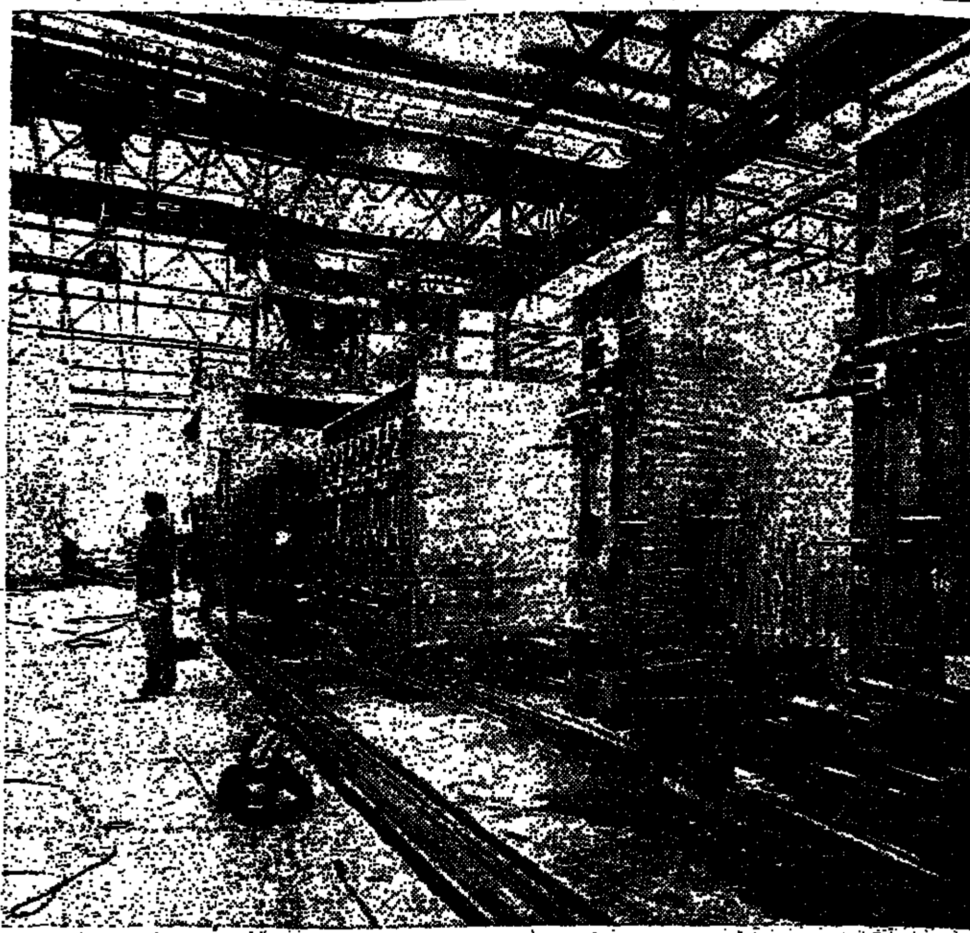
Many of the smaller Danish companies dealing with the bigger turnkey projects often have difficulty in meeting the 10 per cent. performance bonds that many Middle Eastern countries now demand. One company that can easily cope with such problems is F. L. Smidth, a giant of Danish industry and cement specialists with 30 per cent. of the world trade in cement. The company continued to do well in 1974 largely because of an order for a turnkey cement plant in Iraq (to produce 2m. tonnes of cement a year)—the company's biggest-ever single order. Increased business in the Middle East may offset the slacker demand for the company's slurry drying plants and incinerators for industrial waste in Europe.

In the turnkey foundry field, the name of DISA again crops up. Since 1972 DISA has been offering itself as the main contractor for new foundries, and as such it goes outside Denmark for some components, although each new plant gets its Disamatic. It has done particularly well in this turnkey role in East Europe and the Soviet Union.

Milk

Tuborg-Carlsberg builds breweries abroad, but not generally on a turnkey basis as it tends to retain control of them as subsidiaries. The milk business, of which the Danes have had as much experience as of beer, is another matter. Danish Turnkey Dairies, based in Aarhus, will build anything anywhere cows are found—plants to provide cheese, yoghurt, baby foods and ice cream (it has built a complete ice cream factory for Kuwait). Like most of the other turnkey contractors, DTD will undertake to deliver its dairy by a set date at a fixed price in a single contract. In the food-processing line, the oldest established and biggest turnkey contractor is Atlas, a Copenhagen company th[...] capitalised on Denmark'[...] culture revolution and ex[...] in food processing to mak[...] into one of the world's [...] producers of slaughter[...] meal, industrial crop [...] and refrigeration equi[...] The last category is [...] marketed extensively i[...] Middle East where Atla[...] ages to do business ac[...] wide political spectrum. [...] all the suppliers of the [...] complex turnkey projects [...] undertakes to train the [...] personnel, often bringin[...] back to Denmark to do s[...]

Atlas's sales jumped la[...] by 70 per cent. to Kr.280[...] generally the company[...] 85 to 95 per cent. of prod[...] both in physical produc[...] know how. Its vice-pre[...] Mr. K. R. Knudsen, att[...] his company's export fo[...] the world wide need for [...] of every kind. And al[...] he is somewhat pessimisti[...] increasing sales this ye[...] points out that the comp[...] one or two tricks up its [...] in the area of new sou[...] protein, like Atlas's syst[...] turning poultry manu[...] rich fodder for cattle. W[...] objections from various q[...] about the bacteri[...] dangers of doing this a[...] come, as Mr. Knudsen [...] they soon will be, the id[...] catch on.



A concrete plant for continuous production of wall elements for modern build[...] produced for export by Thomas Schmidt

At last the long term prospects for Denmark in North Sea exploration are looking brighter with the opening up of the West Greenland offshore area. The Danes have had many disappointments so far but now the Government has announced its intention to play a major role.

North Sea oil

NORTH SEA oil has so far been a hard-luck story for the Danes. Their disappointment over the delineation of the Continental shelf (the Norwegian Ekofisk field is not far north of the border) has been compounded by the geological difficulties of the few structures in which they have struck oil. Now, however, the opening up of the West Greenland offshore area for exploration offers much better long-term prospects; geologists believe that Greenland could be the world's next major oil province.

Trade and Industry Minister Erling Jensen underlined the Danes' reviving hopes, when he suggested last month that it was time for Dansk Olie og Naturgas—the State-owned oil and gas company, to become involved in exploration. Mr. Jensen was signalling the companies involved in the Danish Underground Consortium, which operates the North Sea concession, that the Government was interested in participation and willing to put up capital. The Government also believes that the State company, which has so far been marking time, should gear itself to become the vehicle for the participation which the State has ensured in any Greenland discoveries.

Olie og Naturgas would also like to develop a gas network in Denmark, to retail the natural gas from the Danish sector of the North Sea. More ambitiously it has been talking to the Norwegians about the possibility of landing Norwegian offshore gas in Jutland by pipeline for further conveyance by land to Sweden and the Continent.

Denmark consumes some 18m. tons a year of oil or oil equivalent energy, all of which is imported; it is a major factor in the country's perennial payments difficulties. Danish hopes were high when in 1962 A. P. Moeller, the shipowner, was given the exploration and production concession for Denmark and formed the Danish Underground Consortium (DUC) with Gulf and Shell and, later, Chevron and Texaco.

The DUC has so far spent just under Kr.600m. (£47m.) on exploration since it started seismic surveys in the North Sea in 1963 and has produced about 400,000 tons of oil. Current production is around 5,000 barrels a day. The most promising discovery was made in the Dan Field in 1971 and when production started in 1972, it was hoped that the field would be producing 1.25m. tons a year by 1976.

Chalk

The Dan oil, however, lies in chalk formations, whose permeability has proved to be a major obstacle. The DUC is currently pumping down sand at a pressure of some 5,000 psi in an effort to improve the flow. It has cut back its production estimates severely and now expects to produce 300,000 tons in 1976 and, with a third platform installed, perhaps 500,000 tons in 1977. If the decision is taken to put in a fourth production platform output could rise to as much as 800,000 tons in 1978.

The total Dan development would by then have cost some Kr. 750m. (£59m.) at 1975 prices. The DUC calculates that, if the price of oil remains stable, it should get an income of about Kr. 250m. (just under £20m.) from a production of 500,000 tons a year. The recoverable reserves of the Dan Field will vary according to the success or failure of the sand-fracing technique, but are thought to lie between 7.5m. and 15m. tons.

Oil has been proven in six structures in the Danish sector but only the Dan field has been considered ripe for development. Earlier this year the Orion rig drilled a second well in the N structure and struck an oil column of an estimated 100-metre thickness, which gave 450 tons on the last day of a five-day production test.

The gas reserves, about which less has been heard, could be more important, although they involve similar chalk problems. One semi-official estimate puts the recovery potential at about 2bn. cubic metres a year of combined associate and direct gas, which would imply that the Danish sector might eventually be able to meet about one-fifth of Danish energy consumption if the technical problems can be surmounted and finance raised.

This prospect certainly explains in part Mr. Jensen's recent hint that the time was ripe for greater State participation. The companies comprising the DUC are understood to hold differing ideas on development. Gulf quit the consortium last year, mainly it is thought because it did not consider it could get the 25 per cent. return on its capital for which it was looking. There has been no suggestion that the Government will not stick to its contractual obligations towards the concessionaire, A. P. Moeller, but the minister's recent statement has put pressure on the consortium companies to make up their minds about further development.

Ice-capped Greenland, however, still offers the more exciting, if even more nebulous prospects. In April 46 blocks, covering some 18,000 square km. off West Greenland, were granted to six international groups, under terms which could ensure a total return to the State of about 80 per cent. of the net profit from a producing field if it chose to exercise its 50 per cent. option.

The companies are committed to spend about Kr.500m. during the remaining seven of the ten-year exploration period. The first well should be drilled next year. If the Danes' luck changes, the first Greenland oil could be on the market in the mid-1980s.

Sources in Copenhagen acquainted with the results of the Greenland geological survey say that both Eastern Greenland and the North Greenland slope appear to be more promising than the West Greenland offshore area, but West Greenland has been opened first because its climatic conditions are less severe, the technology exists and the environmental impact is expected to be less. Costs, even if higher than anywhere else yet explored in the world, will be less than for the two other areas.

Given the stiff concession terms and the severe technical challenge of the area, the 20 companies involved must consider the prospects of finding oil reasonably promising. Gulf Canada, which belongs to the TGA-Grepco group, shed some light on company thinking in a report delivered by Mr. S. G. Pearson at a Financial Times conference in Oslo this month. Their capital projection showed that expenditure of some $750m. in 1975 prices would be needed to get a West Greenland field into production.

To get 20 per cent. discounted cash flow rate of return after tax on this investment the field would have to contain about 400m. barrels of recoverable reserves and produce at a rate of 84,000 barrels a day, which alone would be equivalent to nearly one-quarter of current Danish energy consumption. The company puts the cost per daily barrel of production off West Greenland at about $9,000 which compares with $7,500 for the northern North Sea, $5,000 in the southern North Sea and $500 onshore Middle East.

Gulf Canada, which has experience in drilling off Labrador, was also more sanguine about operating condition[...] earlier reports. A dynam[...] positioned drill ship o[...] "Pelican" type, it esti[...] could work for 8½ mon[...] latitude 65 degrees 31 m[...] north along the West Gre[...] coast. Ice would not pos[...] serious threat, althoug[...] weather and rough seas [...] limit the drilling season.

One undetermined fac[...] the ownership of any oil [...] The 50,000 Greenlanders [...] been pressing for some fo[...] autonomy and it can be [...] assumed that control [...] petroleum reserves will [...] central issue in the fortho[...] talks with the Danish G[...] ment. At present it would [...] most likely that a local G[...] land Government and [...] Danish Government would [...] a joint venture to exercis[...] 50 per cent. option held b[...] State under the conc[...] terms.

Consumers

The State company, Ol[...] Naturgas, has plans ready [...] network to pipe natural g[...] consumers throughout Den[...] The existing "town" gas sy[...] in Copenhagen could [...] extended and adapted to [...] 1bn. cubic metres a year, [...] plan is waiting for a pol[...] decision which in turn [...] depend on a clarification of [...] tions between the Govern[...] and the DUC and a decisio[...] the development of D[...] North Sea gas discoveries.

But Olie og Naturgas is [...] ing higher. It is bidding ag[...] French and German comp[...] to get Norwegian offsho[...] landed in Denmark. The Da[...] market is far too small to ab[...] the enormous quantities a[...] able and addition of the Swe[...] market would not be suffic[...] but the prospect remains [...] land line to pump gas south [...] to Germany.

W.

هكذا من الأصل

The Danish electronics industry is now the country's third largest exporter, making goods of high quality (and high price) in both the consumer field—notably hi-fi equipment—and for a variety of scientific applications.

Electronics

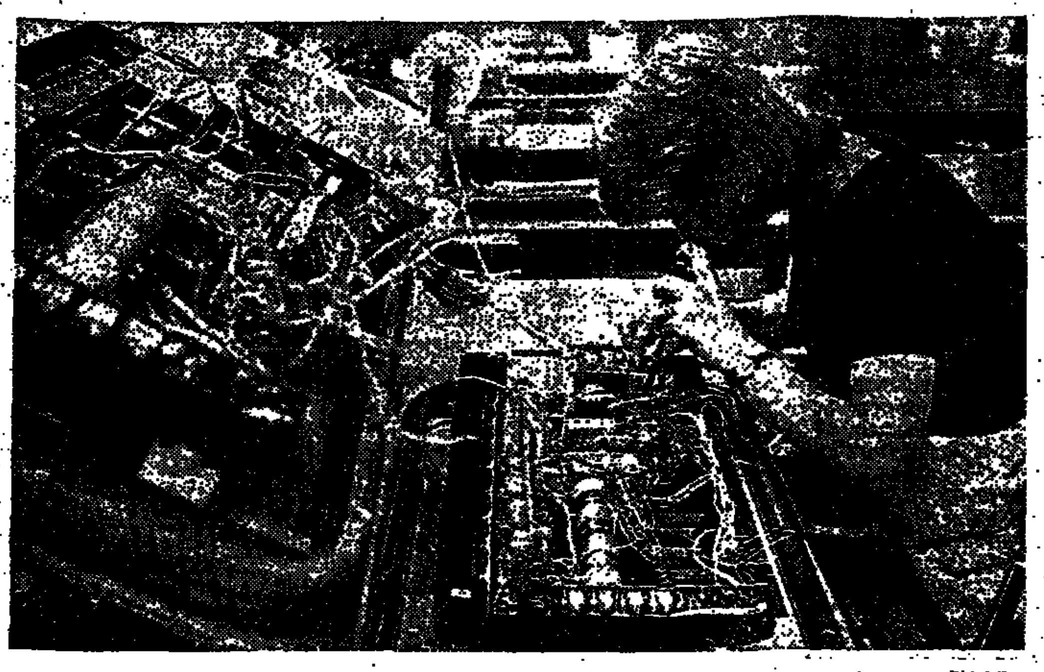
THE DANES believe that the electronics industry is the kind of industry in which they must excel if they are to maintain and develop the country's industrial base in the years to come. So far the industry has done well, becoming a major factor in the overall export picture. Last year export of electronics products totalled about Kr.2.2bn., making the industry the third largest exporter of manufactured products after the machinery and clothing and textiles branches.

With the high labour costs which prevail in Denmark, combined with the absence of industrial raw materials, the theory is that the industry must aim to manufacture products of exceptionally high quality, usually of a kind for which there is only a limited world demand, enabling manufacturers to make effective use of the high educational standards of the workforce at all levels, from the shop floor to research teams and management.

The strategy of aiming to produce and sell products for which there is only a relatively small demand is almost as essential to the industry's success as the use of educational skills to produce better products than other countries. The theory is that for products where there is an extensive demand, whether it is for motor vehicles, teleprinters or television sets, Danish companies will rarely be able to muster the resources which enable them to compete with the major international companies. But the multinationals take only a limited interest in products where there is no prospect of producing a long series. The typical Danish electronics manufacturer, therefore, develops a product, such as sophisticated hospital instruments, where total world demand over a five-year period may be limited to only a few thousand examples.

Typical examples of companies which have succeeded with this strategy are Disa Elektronik A/S (a company in the A. P. Mœller shipping and industrial group), which produces electro-medical instruments for muscle and urological investigations, measuring flow, pressure and muscle tension, and Danfysik, a small company specialising in instruments and apparatus for nuclear physics.

The industry, however, has a wider spread than this special market strategy suggests. The largest of the firms in this sector of Danish industry is Bang and Olufsen, which is the only Danish company still producing television sets. B and O has managed to gain its position in world markets by concentrating on the top end of the price range with products which are of high technical quality and superb design. "Danish design" is still an important selling point.



A Bang & Olufsen amplifier in production at the company's Skive factory

Output

The production of consumer electronics, as represented by B and O's product range, accounts for a relatively small part of the total output and export of electronic equipment. Total output in 1974 was worth about Kr.2.8bn. Consumer products accounted for Kr.790m., components for Kr.567m. and professional instruments and apparatus for Kr.1,468m. Exports came to Kr.2.2bn., breaking down into components, Kr.554m., consumer products, Kr.570m., and professional instruments and equipment Kr.1.1bn.

The industry's structure is reflected in the high degree of specialisation which characterises the outlook of the manufacturers. There are about 150 companies producing electronic equipment. Only 20 of them have a turnover of more than Kr.25m. and a third of them have a turnover of under Kr.2m. (1973 figures).

Virtually all these companies, large or small, are very export-minded. Few of them export less than half their output and many of them export over 90 per cent. The home market, with total sales of components and apparatus and equipment in 1974 of Kr.3bn., is too small to form a base for production, especially for the specialised products on which the manufacturers concentrate.

The industry has not escaped the effects of the international recession. In mid-year employment in the sector was about 15 per cent. under the level of mid-1973. Deliveries and orders were both running well below the level of last year as well, and the third quarter expectations survey did not suggest that any improvement was immediately in sight.

On the other hand the industry has come through the retreat in good order. Companies seem to have reacted promptly to deteriorating prospects, thus saving themselves from acute financial problems. Only a couple of small electronics companies have gone into liquidation over the last 12 months, according to Mr. Erik Petersen, managing director of Storno and President of the Association of Electronics Manufacturers.

He said that one of the reasons why the branch was able to come through the crisis relatively unscathed was ability of the small companies in the Danish industry to switch their export effort very quickly. Companies such as his own, producing radio-telephone equipment, have been able with some success to move into the oil-producing countries.

The industry looked to the future with some confidence because it was convinced of its basic strength, its selective product policy, efficient engineers and skilled labour force, said Mr. Petersen. He also pointed out that the association of which he is president plays an important role by using its persuasive powers to limit internal competition among members. The aim is to compete with foreign firms and not with each other, a goal which is achieved by preventing product-overlap. This has, of course, by no means been completely achieved, but the manufacturers of hospital instrumentation, for example, do not hesitate to put down their success in part to a tacit agreement not to compete in any given product range.

An important source of inspiration in the next year or two will come from the Danish decision to buy the American YF 16 jet fighter. The deal involves off-set contracts with Danish industry to a value of $300m. over eight years, and most of this money will go to the electronics industry. More important than the cash, however, is the transfer of know-how which the contracts will involve. Some of the techniques which will be used will be completely new to the Danes, and this will be a cheaper way of learning them than developing a separate research capacity.

The most serious problem facing management is, inevitably, the explosion in wage costs in Denmark over the past three years. Hourly wage costs in industry rose by over 18 per cent. in 1973 and 22 per cent. in 1974. So far this year the index has run 20 per cent. over the level of 12 months earlier. In previous years as well Danish wage rates have risen considerably faster than rates in Denmark's main competing nations. It is a tribute to the electronics industry that in spite of this it has been able to maintain its international market shares.

To some extent managements claim that their products are less price-sensitive than products in other industries, but the situation has forced managements constantly to think in terms of labour-saving investment and design. As two of the development staff of GNT Automatic in Copenhagen put it, we have to design ourselves out of our problems, both to cut down on wage costs and by ensuring that visual design is better than anyone else's. More specifically, assembly work has to be simplified and minimised and processes developed which cut out the necessity of making time-wasting adjustments to the finished products. "There are no safety margins for Danish companies and no room for management stupidity," as it was put.

Offers

If inflation was not brought under control, Mr. Petersen foresaw that more and more investment in electronics would take place outside Denmark. There are so many favourable offers for setting up abroad, he said, naming Ireland and Italy as countries with attractive terms. Storno, in fact, has already decided that a substantial part of its investment should take place abroad, and in the past five years has built up production abroad to half total output, supplementing the manufacturing unit which it has had in Britain for many years with a big new plant in Germany. There is considerable relief in the industry, therefore, that the political agreement on economic policy this month included a Government commitment to prevent a renewed acceleration of prices and incomes.

H.B.

Hospital equipment and pharmaceuticals are among Denmark's major earners of foreign currency, although home sales have slowed down recently. Among the products of which the country is a notable exporter are insulin, penicillin, hearing aids and X-ray equipment.

Pharmaceuticals

THE EXPORT figures for Danish hospital equipment and pharmaceuticals do not seem to be sagging under the impact of the general recession and stagnation in national health service expenditure round the world. Pharmaceutical exports for the first six months of this year were Krs.460m. compared with Krs.420m. for the same period last year. And hospital equipment, though from a smaller base, has matched this.

The origins of Denmark's pharmaceutical industry lie in its agriculture—the desire to find a useful sideline for the waste from the meat packing industry. The production of insulin, for instance, of which Denmark is the world's largest exporter, consumes large quantities of pig pancreas. The country exports even greater quantities of psychopharmaceuticals (tranquillisers and the like), vitamins and penicillin. Denmark is, according to a recent OECD report, the second largest exporter of pharmaceuticals per head of population—the largest being Switzerland. Continued demand for Danish products has a number of general causes: the improved diagnosis of diabetes cases, the insatiable hunger of the Third World for vitamins, and greater life expectancy.

Lavish

These world-wide factors in an industry that is very export-orientated has more than offset the fact that the Danish health service's spending, in the past so lavish, has for the past year stopped growing. Many Danes troubled by high taxes felt that it was time for a spending curb, arguing that a health service that even owned and ran a recuperation hospital in Spain needed a little pruning.

The Danish pharmaceutical federation (MEFA) has noted a slight decline in its members' research and development budgets this year. But this is not the case at Novo Industries, which among other lines produces the great bulk of Danish insulin. Its president, Dr. Hallas-Moeller, insists that any slackening of the R and D effort would be suicidal for Danish products.

Nova, in fact, spent some Krs.45-50m. last year on R and D or over half spent by all of MEFA's member companies. Insulin accounted for just under half of Novo's Krs.259m. pharmaceutical sales in 1974 and the company has just opened a new insulin production plant at Kalundborg. Its hold on this special market stems from two Novo discoveries: first, in 1951, a means of delaying awkwardly quick, natural absorption of insulin by the human body and, second, a way to make the product almost totally pure. Previously certain impurities in ordinary insulin has led to allergies among diabetic users of the substance. Novo has another side to it which, in the view of Dr. Hallas-Moeller, will soon overtake its pharmaceutical division—that of enzyme production. Enzyme development is, of course, a very direct offshoot from the food processing industry. Enzymes such as Trypsin and Plasmin, which help dissolve blood clots, now have an established medical use. The widest use of the substances is to transform starch into syrup which can replace sugar in food products, soft drinks and confectionery. Indeed, Dr. Hallas-Moeller reckons that Britain, to take a major sugar importer, could cut its sugar imports by 40 per cent. in this way.

Sales of Novo enzymes to the U.S. have still not recovered from the scare in 1969 when it was suggested that the enzymes in the "miracle washing powders" of the TV advertisements were dangerous. But Novo is now satisfied that, with a clean bill of health from the U.S. National Academy of Sciences and with the help of an "enzyme education kit" it has been able to have introduced into the U.S. school curriculum, that sales will pick up. The use of the rennet enzyme in cheese production in the U.S. is increasing. Novo had plans to set up a U.S. production base when the enzyme scare broke and it is now dusting off those plans again.

Lynch-pin

In the opinion of at least one industry economist, hospital equipment is the fastest growing sector of the Danish electronics industry. And the lynch-pin in its growth is the hearing aid, now perhaps more in use than ever with the noise of industrial life. Helped by the fact that as long ago as 1950 the Folketing decreed that every hard-of-hearing Dane should get a free aid, Denmark has become, for hearing aids, as a previous Financial Times survey pointed out, what Switzerland is for watches. Last year the hearing aid won Krs.91m. for Denmark in foreign exchange, with Oticon as its top producer. The three main hearing-aid manufacturers have been quick to realise that servicing and repair is particularly vital to this product, and have for some time operated a world-wide service. But there are export-earners in the hospital equipment field: X-ray equipment exports were Krs.27m. last year, and general medical electronics Krs.50m. This compares well with previous years, helped partly by the fact that health spending in East Europe and the Soviet Union has not been reduced in the way that it has in the West. Poland, in particular, has proved a good customer lately. The domestic picture is not so happy. As Mr. Ole Lippmann, managing director of Simonsen and Weel, a leading medical manufacturer, says: "Denmark has built a great number of hospitals during the past 20 years and has spent a lot of money on patient care and health service. There is no doubt that this hospital programme has stimulated Danish industry." Now that stimulus has been removed.

Simonsen and Weel typifies the score of companies that fill the medical instrument field, with a lack of overlap achieved by mutual agreement. To quote Mr. Lippmann again: "We came to the conclusion a few years ago that there was room for a Danish medical-electronics industry and have created a special, limited sophisticated company making monitoring installations, oscilloscopes for diagnostic purposes, defibrillators and so on."

In addition to Simonsen and Weel, leading manufacturers are Daneca (anaesthesia apparatus), Testa Laboratories (which has specialised in turning out portable resuscitation equipment for use in ambulances and field hospitals), Kaiser (electro encephalographs), ELLAB (all kinds of thermometers) and in the medical laboratory field, Radiometer, which is the biggest Danish maker of blood analysis instrumentation, and Bruel and Kjaer.

There is also DISA which has used its scientific engineering expertise to branch out into a few specialist instruments, in particular a range of electromyographs for use in muscular measurement. One of the company's latest additions is a uranometer, an uncomfortable looking machine to diagnose bladder and urethra complaints. The DISA management is typical of the tidy market division in this industry in claiming that its own particular sector is quite sufficient for its purposes and that it has no intention of expanding its range to compete with the other Danish specialists.

The medical profession eats up disposable items which, for hygienic and other reasons, are used only once. And the small Danish plastics industry has diversified here to meet this need. Some of the firms in this field are A-SIK (syringes), Pharma-Plast (syringes and catheters), Steritex (anaesthesia accessories) and NUNC, which makes laboratory plastics and sterilisation equipment. Surprisingly, many of the products from this small sector find their way into foreign hospitals and surgeries.

D.B.

Denmark's shipyards have been hit as hard as any by the severe downturn in the world maritime industries. Efforts to avert the threatened reduction in capacity and employment include local orders from Danish lines, but the main hope is that current work will last out the recession.

Shipbuilding

AN ORDER for 17 ships placed by the A. P. Moeller Shipping Company earlier this month with the Moeller group's own Lindoe shipyard has alleviated the critical situation in Danish shipbuilding but has not removed the long-term possibility of a forced reduction in both capacity and employment. Like the rest of the old-established shipbuilding industries, Denmark's is threatened by competition from Japanese yards taking orders at prices 30 to 40 per cent. below European prices and from the new State-subsidised yards in such countries as Brazil, offering far easier credit terms than those permitted under the OECD rules.

The Danish Shipbuilders' Association continues to reject direct State subvention on the grounds that it cannot in the long run resolve the fundamental problem of over-capacity in the world industry. In principal the Danes seek a solution in some form of international agreement, through the OECD or through shipbuilding associations, to cut back production capacity. In practice the industry will more likely be saved by orders from Danish shipping companies to their own yards, such as the latest Moeller order, and by the ability of at least some of the yards to build competitive specialist vessels.

By the end of August the number employed in the Danish yards, the Burmeister and Wain engine company and the marine equipment factories had dropped from 23,300 to around 22,000, chiefly as a result of lay-offs at Burmeister and Wain, the Lindoe yard, one of Europe's most efficient builders of ULCCs and VLCCs, and three smaller yards, which had been rationalising production. It had already been announced that Lindoe, which has had four 495,000-ton tankers cancelled, would have to lay off more men by the year's end, if no new orders came in. The yards employ just over 6 per cent. of the total industrial labour force, so that the situation is of national concern.

Ships on order at the beginning of the year numbered 78 totalling 5.9m. deadweight tons but by the end of June the Shipbuilders' Association was warning that the order stock had been reduced by 20 per cent. over the preceding 12-month period and its figures did not cover the cancellations at the Lindoe yard, which had not then been confirmed. During the first six months of this year new orders were received for only six ships totalling 40,000 deadweight tons and two barges.

The 17-vessel order placed with the Lindoe yard this month does not substantially alter the total tonnage on order, as it replaces the four 495,000-tonners cancelled with two 330,000-ton tankers, six 65,000-ton combination vessels, six supply ships and three sea-going flat-top barges. The order should, however, keep the yard employed until 1978, even if at a reduced rate. Burmeister and Wain has orders until late 1977. The situation varies at the smaller yards, most of which have bookings for two to three years ahead. The main problem is the lack of new orders, which will enforce a gradual tapering-off in production and employment, starting with the equipment suppliers.

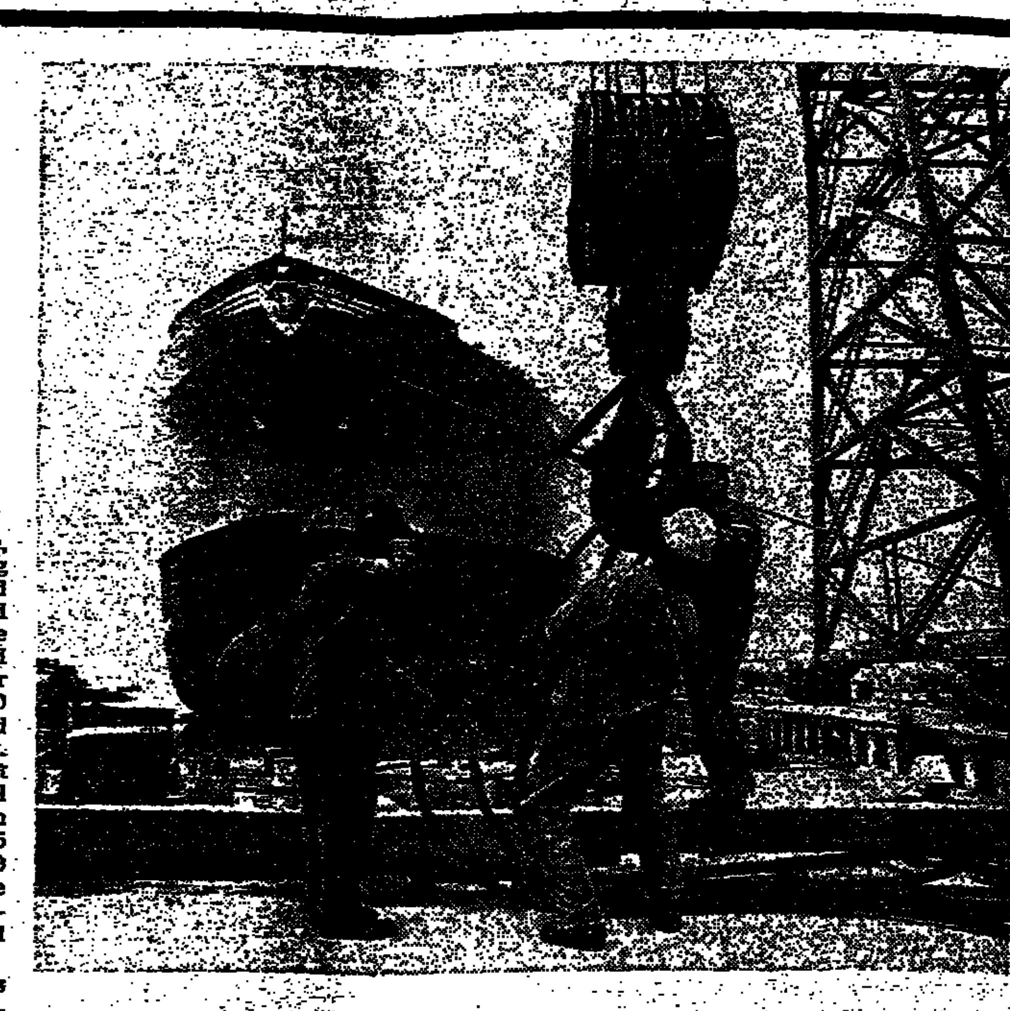
Linked

The fate of the shipbuilders is inevitably linked with that of the Danish economy in general and the Shipbuilding Association in unison with others has been urging the Government to introduce firm wage restraint policies. The wages paid by the yards are among the highest in the country, pushed upwards by the persistent shortage of skilled workers from which they had been suffering under conditions of full employment. A real slowdown to the cost inflation of the past two years would enable the yards to offer fixed-price contracts again with relatively nominal inflation cover. Then, the shipbuilders believe, the high productivity of their modernised yards and their product specialisation would bring in new orders.

Denmark has just over 3 per cent. of world ship production. Its eight building and repair yards last year delivered 36 vessels to a total of just over 2m. d.w.t. and a value of Kr.2.4bn. (£190m.). Of these, five were large tankers totalling nearly 1.6m. d.w.t. delivered by the Odense Steel Shipyard Company's Lindoe yard, while the Burmeister and Wain yard in Copenhagen accounted for seven ships totalling 360,000 d.w.t. The Lindoe yard delivered nearly 80 per cent. of the total tonnage for just over 40 per cent. of the total value. Burmeister and Wain was responsible for roughly 15 per cent. of the tonnage and 20 per cent. of total earnings. The smaller yards have thus a substantially higher valued added per ton.

Too little information is available to assess the profitability of the industry but one knowledgeable source estimates that the overall return on capital has averaged less than 5 per cent. in recent years. The trouble-racked Burmeister and Wain group had a loss of Kr.142m. (£11m.), while the Odense Steel Shipyard Company (Lindoe) reported a net profit of Kr.14.7m. The best profits last year were made by the repair yards and by the boiler section of the Aalborg yard. Finance, however, is not regarded as an immediate problem and even Burmeister and Wain ended the year with over Kr.160m. cash in hand.

There will be something familiar to British ears about Burmeister and Wain's recent history, which comprised ineffective management, loss-making fixed-price, dollar contracts and a series of strikes by militant unionists, which almost culminated in the closure of the yard last year. At that point a 37-year-old businessman with no experience of industrial management, Mr. Jan Bonde Nielsen, bought a majority holding in the company and vigorously set about reorganising it, cancelling two orders against compensation and aiming the yard at series production of 60,000-ton bulk carriers. It has received 16 orders, of which 15 remain to be delivered, and Mr. Nielsen is budgeting for a profit in 1976.



The new dock at the Lindoe shipyard, one of the biggest engineering project[s in] Denmark's history

Crisis

The Lindoe yard, designed to build ULCCs of up to 650,000 dw tons, has found itself in the wrong market, following the crisis in the tanker trade and the cancellation of new tanker contracts. Managing director Erik Quistgaard has produced a range of new designs for bulk and product carriers, has plans for moving into the offshore business and ideas for using the resources of the Moeller group to offer complete sea transport systems to developing countries or companies, with management thrown in or on a joint venture basis.

Its control systems and module building technique had made Lindoe one of the most efficient large tonnage yards in the world. It completed its major investments in the '60s, when prices were lower, and has no outstanding debts. Finally, it has the backing of the Moeller group. Objectively, then, if any yard can adapt production to the post-tanker crisis situation, it ought to be Lindoe.

Four of the smaller yards have support from shipping companies—the Nakskov yard, which is owned by the East Asiatic group, and the Danvaerft trio, Aalborg, Frederikshavn and Helsingoer, which belong to the J. Lauritzen group, owners of the DFDS pas[senger] and ferry line. The A[alborg] shipyard won one of th[e] orders placed in the firs[t] of this year, a £12m. order [from] British Rail for a 9,000-t[on] ferry to be delivered ea[rly] 1977. The Frederikshavn [yard] concentrates on coastal f[reight]ers, has a profitable repa[ir and] conversion section and wi[ll com]plete a graving dock ne[xt...] The Telsingoer yard h[as] 14,000-ton cargo ships [under] construction for Cuba.

The Nakskov yard has in hand for its advanced [...] ton product carrier and [...] ton container vessels, [which] should see it through un[til the] beginning of 1978. The A[...] yard has been specialisi[ng in] oil-rig supply vessels bu[t has] recently developed a desi[gn for] a cement carrier with [a ...] loading system.

By contrast, Danish shipping, though suffering from the fall in tanker business, is managing to keep on a reasonably even keel. As the country's third largest foreign currency earner, its ability to maintain its position is of vital help to the economy.

Shipping confidence

DANISH SHIPPING relies on efficient, modern vessels, skilled manning and clever managers with experienced eyes for the market. It has been hurt by the collapse of the tanker market but over 40 per cent. of its earnings comes from the liner trade, operating largely to the Far East, and it is sufficiently diversified to believe that it will get through the current shipping recession without serious damage. Like most shipowners who earn the bulk of their profits by carrying freight between other lands, the Danes are strong proponents of free competition and consistently oppose any form of national subsidies for shipping.

The Danish fleet, comprising 7.4m. d.w.t., is not among the world's largest (it ranks 15th on the world scale and sixth in the EEC), but it is far larger than the size of the Danish population would warrant and is the country's third largest currency earner after industry and agriculture. In 1974 gross shipping earnings rose to a record Kr.7.3bn. (£575m.), giving an estimated net currency income after deduction of expenditure in foreign harbours of Kr.3.5bn.

Performance

This year the performance will not be so good. About one-sixth of the tanker fleet, which makes up 62 per cent. of the total deadweight tonnage, is laid up and most of the remainder is slow-steaming. Freight rates have remained reasonably firm in the liner trade, but the vessels have been having trouble in getting sufficient cargo and capacity utilisation has fallen.

The picture is not so bleak for the Danes, however, as for the Norwegians. A. P. Moeller, by far the dominant shipowner with 28 tankers totalling just under 4m. d.w.t., has pursued a relatively prudent policy, keeping about two-thirds of his fleet on long-term charters, although some of these charters run out this year. Moeller, too, has consistently ploughed back profits and faces the setback on the tanker market from a solid basis.

Unemployment among the 20,000 on the ships and in the shipping company offices is well below the national average. And the Danish shipowners are showing their confidence in the future by the number of new ships they have on order. Under the British Chamber of Shipping criterion of capital stock, the value of the Danish shipping fleet is some Kr.14-15bn., but the companies at the beginning of the year reported investment programmes of Kr.9bn. for the three year period 1975-77. In all the shipowners had ordered 131 ships of 3.4m. d.w.t., corresponding to 46 per cent. of the existing fleet.

Some cancellations have been made but orders have also been changed to new types of vessel and the list of new buildings remains impressive. The East Asiatic company, for instance, after building six new ships in 1973 and 1974, has on order six bulk-carriers, two container vessels and two product carriers to a value of Kr.1.2bn. for delivery up to 1978. It is building up a fleet of timber carriers to a new design. A. P. Moeller is taking delivery of nine container vessels and has just ordered 17 ships of varying types from its own yard at Odense.

Swift renewal is characteristic of the Danish fleet and is considered policy. The argument is that Danish companies can only compete world-wide against companies who enjoy cheaper wages and cheaper flags by maintaining fast, modern vessels, which can operate at a low cost per ton.

This argument has been underlined by the close to 50 per cent. increase in wages and salaries obtained by Danish crews in 1973 and 1974. The Danes say that their wage rates are the highest in Europe, certainly well above British levels. The average monthly salary for a chief mate in 1974 was Kr.10,769 (£845) while a fully qualified seaman averaged Kr.5,273 (£413).

Labour costs are also increased by manning regulations, which compel owners to carry larger crews than, for instance, Norwegian or Swedish vessels. These rules are a further incentive to build new ships, since they can be circumvented by an appeal to a special board on the grounds that a ship has been designed to operate with a specific crew.

The result of all these pressures is that at the end of 1974 nearly half the Danish fleet was under five years old and 80 per cent. was under ten years. To help finance their new purchases, the Danes sell off their ships quickly. Second-half values at present are low and few ships are being sold but in 1973 some 1m. d.w.t. of Danish shipping went to new owners.

This process is helped by depreciation rules which enable the owner to write off 30 per cent. of the value of a ship in the two years after it is ordered and before delivery and thereafter 30 per cent. of the balance each year. In effect 51 per cent. of the value of the ship can be written off after it has been operating for one year.

Concession

The shipowners wrung another concession from the Government earlier this month—a reduction in the ship registration fees which had been some 50 per cent. higher than in any other country. A Panama bulk carrier of just under 60,000 d.w.t. tons, for instance, cost £63,000 to register in Denmark, £42,500 in Sweden and £927 in Britain.

Like so much of Danish industry the shipping companies eschew Government intervention in their business and have emphasised throughout the difficulties of the current recession that they are not looking for State subsidies in any form. This attitude may have been a little harsh on some of the smaller owners who have been having trouble in raising finance for new buildings. It stems partly from an ideological stand by owners who believe strongly in conservative politics but is also a logical consequence of the policy Danish shipping men are compelled to adopt in the international context.

Thus, the Danes were extremely upset by the convention to regulate the international liner trade agreed on by the UNCTAD conference at Geneva in April, 1974, providing for a 40—40—20 division in favour of the national fleets of countries in bi-lateral trade at the expense of the third countries. This would, for instance, have hit particularly hard at Danish shipping trading on the Far East routes and between European and American ports and the Far East. The issue nearly developed into a quarrel with German[y and] France, two of Den[mark's] Common Market partner[s, and] the Danes are currentl[y re]lieved that the convention[, not hav]ing been signed by so[me] states, seems unlikely to [come] into effect.

The structure of the D[anish] shipping fleet reflects a fr[...] peculiarity, the preponde[rance] of VLCCs at one end o[f the] scale and of small freig[hters of] 5,000 grt and under, a[t the] other. Of the 918 ships [regis]tered at the beginning o[f the] year, 691 were of less [than] 2,000 grt. Three comp[anies] operate about 85 per cen[t. of] the total fleet deadweight [ton]nage with A. P. Moeller acc[ount]-ing for some 75 per cent. [...] through its tanker fleet. [East] Asiatic the trading and [in]dustrial group whose cent[ury-]old connection with China [and] the East has inspired the D[...] involvement in the [...] operates a fleet of some 20 [con]ventional cargo liners an[d is] moving into containers, bul[k] and product carriers. J. Lauritzen, in addition to ha[ving] his own fleet with two tan[kers,] has a majority interest in D[FDS,] the passenger and car f[erry] company, and in the Con[...] line.

M. Jebsen, a smaller [com]pany, also reflects the cha[rac]teristics of Danish shipp[ing.] Sailing under the Danish [flag] and based in Jutland, this c[om]pany operates its small f[leet] of 5,000-ton shelter deckers [out] of Hong Kong. Jebsen i[s a] member of the Danish s[hip]owners' association, but m[any] smaller owners, operating e[ven] smaller vessels in part-ow[ner]ship, have their own associat[ion,] the so-called coasters. T[hey] belie their name in that m[any] of them in fact trade inter[na]tionally. And a lot of sm[all] owners with ships in the 3,0[00-]4,000 ton range have mana[ged] to maintain both freight ra[tes] and cargo support through [the] bad times.

Danish shipping is not [a] major factor on the world sh[ip]ping scene, but it is on t[he] whole efficiently run by m[en] who know their business a[nd] who have demonstrated th[at] profits can be made and [re]liable services provided, ev[en] when labour costs are high.

W.I

هكذا من الأصل

هكذا من الأصل

An OPEC special meeting opens in Vienna this week. **Richard Johns** assesses the oil price outlook when the nine-month freeze ends.

At odds over the almost inevitable

HE GUNBOAT—once the ... striking symbol of ...perial high-handedness—has ...w been used by an oil-...oducing state as a means of ...monstrating its will. It ...ppened earlier this month off ...e shores of Qatar whose ...vernment ordered the vessel, ... small and antiquated patrol ...at, to be sent out in further-...ce of an instruction that two ...ded tankers should not leave ...e terminal. This show of ...muscle" might be seen as sig-...fying the shift in the balance ... global monetary power in ...vour of the Organisation of ...troleum Exporting Countries ...PEC). Of more immediate ...levance, it also highlights just ...e of the problems confront-...g member States at this ...ek's extraordinary con-...ence in Vienna and the vary-...g predicaments which will ...ke it difficult for them to ...hieve any clear-cut consensus ... what kind of oil price in-...ase should be imposed from ...tober 1, when the nine-month ..."freeze" ends.

...ecause of Qatar's insistence ... maintaining a high-gravity ...d sulphur premium, which is ...t justified in present market ...nditions, the major operators ...ere have for some months ...fused to purchase any of the ...ate's 60 per cent. share of ...oduction and have lifted only ...e 40 per cent. "equity" en-...tlement allowed under the ...esent participation arrange-...ent.

...Faced with the difficulty in ...aking direct sales, the Govern-...ent resorted to some custo-...rs who could not be des-...bed as prominent in the ...orld oil industry. The con-...nments in question were ...ought from the State by a ...oker, Cayman Petroleum ...rporation, at the high price ...manded by Qatar. But it ...bsequently proved impossible ... find a buyer prepared to ...er enough to leave any profit ...argin. Since this sale was made, Qatar has now obtained approval from other Gulf producers for a lower sulphur premium.

This incident could be seen as one of the more bizarre results of the still sluggish demand for oil which is perhaps the most important feature in the setting for the coming OPEC conference. In the first seven months of this year little more than 70 per cent. of member states' production capacity has been utilised, while actual output ran at a level 10 per cent. down on 1974. In particular, this affected those producers, like Qatar in the Gulf, with the light, premium quality and relatively high priced crudes, and those, like Libya and Algeria, with a freight advantage (which this year has been highly notional). Iraq, which undoubtedly has trimmed prices pumped to the East Mediterranean, alone has recorded a rise—of 18 per cent.—in its output this year.

Demand has picked up over the past two months as the rise in total OPEC production from 26.7m. b/d to 27.9m. b/d in July shows—with Libya in particular making a notable advance from 1.5m. b/d to 2m. b/d. More recently there has been a flurry of activity in the spot cargo market in anticipation of the OPEC conference. But it is clear that members over-estimated the volume of late-summer restocking required by the industrialised countries, and also the speed of economic recovery.

Reserves

The prospects of a tight financial situation is one major factor that has built up the head of steam in some OPEC member countries for a sizeable price rise to come into force in the last quarter of the year. This would be particularly true of Libya, the only one included in the International Monetary Fund's monthly statistics to record a fairly dramatic fall in its gold and foreign exchange reserves from $3.8bn. at the close of 1974 to $2.3bn. at the end of June. Overall, lower production, the greater than expected capacity of producers to absorb imports, and inflation will mean a current account surplus of $40bn. this year compared with $59bn. last year, according to the latest U.S. Treasury estimates.

Within this collective calculation the variations are great. Saudi Arabia's surplus has continued its remorseless and almost inevitable growth to the extent that the Kingdom's gold and foreign exchange reserves rose in the first half of this year from $14.2bn. to $20.4bn. By contrast with Libya, Qatar—a modest ninth in the OPEC league in 1974 with an output averaging 520,000 b/d—could watch its rate fall to 262,000 b/d with a degree of equanimity. With its limited financial requirements and absorptive capacity, the State generated a surplus of rather more than $1bn. *in 1974.*

At this week's conference the whole question of differentials is to be discussed as part of the much bigger restructuring of the pricing system, including the indexation mechanism whereby prices would be adjusted according to an as yet undecided formula for measuring inflation rates. Immediately, however, the big issue is the size of the price increase decided on to compensate retrospectively for inflation suffered since the beginning of 1974.

Worst premonitions have been based on the figure constantly heard at the previous OPEC conferences this year in Vienna, Algiers and Libreville of an inflation rate for the goods purchased by the producing States, mainly from the industrialised countries, of 35 per cent. Calculated in Tehran and first aired by Dr. Jamshid Amouzegar, Iran's chief delegate, it is apparently based on a basket of goods and commodities imported by that country. It also—at least earlier in the year before the currency's recovery—included losses from the depreciation of the dollar. It bears little relation to the 13 per cent. upward movement in the OECD consumer price index in the 15 months to the end of last March, but corresponds quite closely to the 29 per cent. rise *in the United Nation index of* manufactured exports in 1974. Whilst it is constantly used in OPEC circles, however, there is no public acknowledgement that the various revisions in the method of adjusting revenues in 1974 involved an additional cost of rather more than 25 per cent. per barrel of oil. If the price was raised by 35 per cent, it would involve an additional $35-40bn. in the consumers' oil bill.

As they convene the 13 members are very much at odds over how large the almost inevitable increase should be. Recently Sheikh Ahmed Zaki Yamani, *Saudi Arabia's Minister of Oil,* precisely identified the producers in favour of an increase in the region of 35 per cent. as Algeria, Libya, Iraq, Venezuela, Ecuador and Gabon. Pinched on the one side by lower, stagnant demand which has not recovered as most members predicted at the June conference in Libreville, *and on the other side by* the escalating cost of imports, the militants will have to recognise anyway that market conditions cannot support a rise of that scale.

OPEC has proved that, as a cartel, it can set prices to a great extent without reference to the supply-demand equation. But there is a recognised limit, as shown by the surprising demand elasticity which followed the 1973 *escalation—which itself* was made possible only by the extraordinary conditions created by the October War and the Arab cutbacks. Probably, any boost above 20 per cent. could only be sustained by a production programme which Saudi Arabia—as ever the crucial *factor* as the largest exporter with considerable producing capacity in hand—will not yet contemplate.

This year's 6.8m. b/d average production by the Kingdom compares with the authorised maximum of 8.5m. b/d and capacity of 11.5m. b/d. As the *major* "swing" producer, requiring a rate of only 3m. b/d to satisfy its current financial requirements, it wields crucial power—able, as Sheikh Yamani has put it, to "ruin the other OPEC countries" if producing at its full potential, or to send up prices "not by 35 per cent. but by 40 or 50 and finally 80 per cent." if it went down to the bare minimum.

Recession

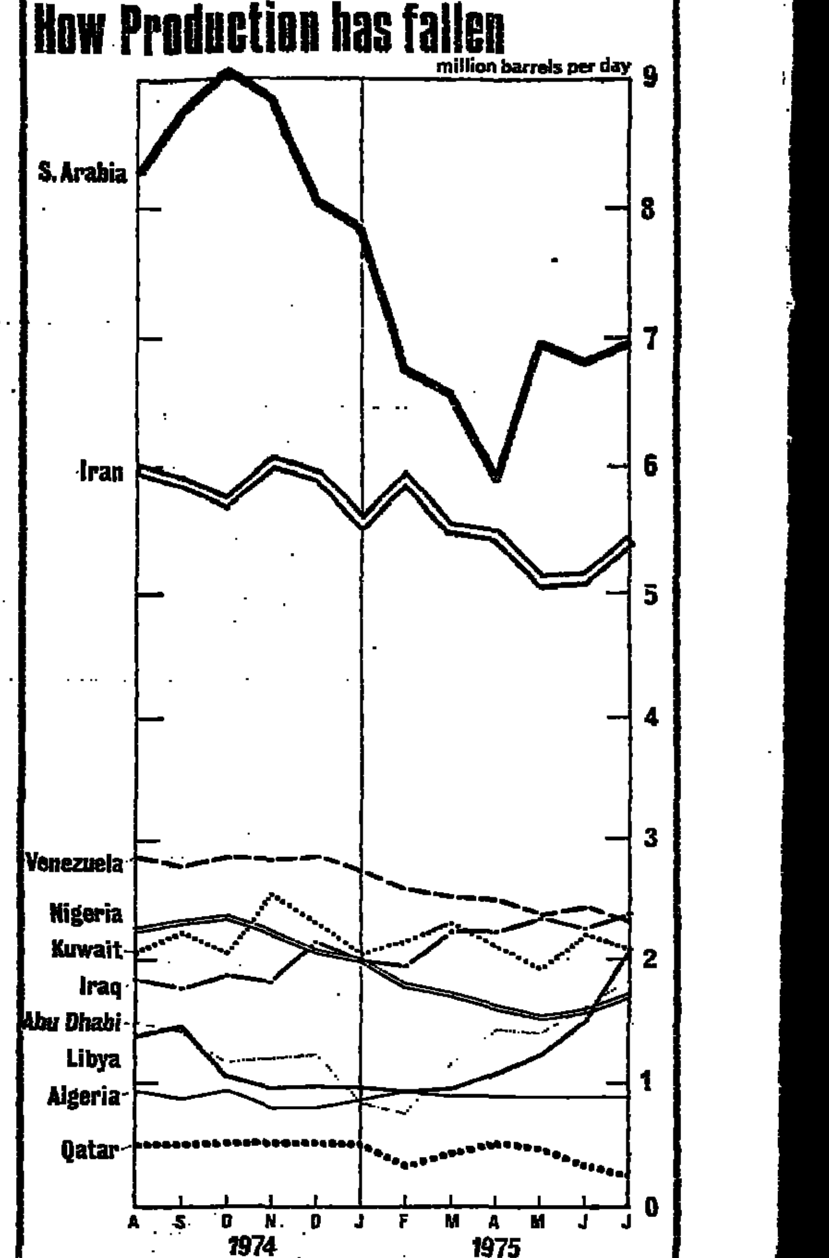
Saudi Arabia has indicated that it will not agree to a rise greater than the industrialised countries can absorb, on the *grounds that something which* might send the West into a serious recession would be against the producers' interests, and especially Saudi Arabia's.

The realisation of mutual interest and interdependence within OPEC's ranks is now more widespread. Despite the reiteration of the 35 per cent. *inflation figure,* the Shah last week said that Iran would not press for anything more than 15 per cent. On the basic "marker" crude Arabian Light now costing $10.46 this would mean an increase of $1.56.

Kuwait has indicated that it is prepared to settle for something in the region of 10 to 15 per cent., which would also satisfy Abu Dhabi and Qatar. Thus the weight of the Gulf, where the real power resides, especially in market conditions like those experienced this year, would be for moderation. The four have consulted among themselves, as well as, apparently, the U.S. Administration. Last week Mr. Gerald Parsky Assistant Secretary of the Treasury, revealed that "conversations" with OPEC officials "left him confident—although not absolutely certain—that any increase in the oil price later this year would be no more than $1 or $1.50."

Although the final outcome of this week's OPEC conference looks fairly *predictable,* the militants can be expected to struggle hard, perhaps bitterly, for an increase of 20 per cent. or more. Left to itself, Saudi Arabia would probably settle for less than 10 per cent., and would prefer to postpone the increase until January, after next month's preparatory meeting in Paris aimed at launching the elusive "dialogue" between oil producers and other developing nations, on the one hand, and the industrialised countries, on the other. For the same reason the introduction of the indexation system is expected to be delayed until the New *Year by general consent,* regardless of the OPEC Economic Commission's recommendations.

On the price issue, it looks as if Saudi Arabia has little choice but to compromise at around 80 cents to $1. Sheikh Yamani's failure to lower, or even wholly stabilise, the cost of oil in the first nine months of 1974 illustrated the political pressures on the Kingdom, which cannot afford to be isolated completely within OPEC as a whole or among its Arab members. Beyond that it attaches a vital importance to the dialogue and to OPEC's Solemn Declaration, with its commitment to bring about a transfer of resources to the Third World and to improve the lot of other raw material producers. At the best, the prospects for parallel talks on energy problems, raw materials, the problems of the lesser developed countries, and the international monetary system *can only be described as uncertain.* But the dialogue remains, nevertheless, a crucial factor in the oil price equation.



Letters to the Editor

Political levy for all

...om the MP (Con.) for ...d-Oxfordshire.

Sir,—Mr. Percy-Davis (Septem-...r 17) overstates the urgency ... the danger of Government ...bsidies to political parties. ... yet there is no *Bill* before ...rliament forcing the taxpayer ... contribute to political parties ... way of a State subsidy. ...ere is instead a Committee ... up by the Government and ...aired by Lord Houghton, to ...nsider the proposition.

But it may only be a matter ... time. The composition and ...ms of reference of the ...mmittee predispose it in ...vour of subsidy, even though ...ne of us have given evidence ... other way. It is right, as ... Percy-Davis suggests, that ...blic opinion should be alerted ... the threat. It should alarm ...ryone who believes that in ...free country politics should ... a voluntary business—and ...t we have enough problems ...r public expenditure without ...couraging the political parties ...raid the till.

...uglas Hurd.
...use of Commons, ...ndon, S.W.1.

Lessons from Llanwern

...m Mr. J. S. McFarlane.

...ir.—The nine-month delay in ...mmissioning the new blast-...nace at BSC's Llanwern works ...cause of the associated pay ...pute illustrates perfectly why ...ustry is reluctant to invest.

... is claimed, with justification, ... British productivity is low ...cause of inadequate capital ...n. But, when a new item of ...nt is installed, the men claim ...ch higher pay as the price for ...king it, and with justifica-..., as they point to the higher ...put per man that is obtain-...

...heir workmates then claim, ...h justification, that they ...uld have at least wage parity, ...e the older plant at which ...work is more unpleasant and ...uous.

...he end result is a very much ...her wage bill for very little ...e production, followed by a ...ewal of the argument that ...ustry is failing to invest. But ...rybody has a justification for ... action, or lack of it.

... we do not replace such 'en-...tious reasoning with common-...se, and the freedom to ad-...ister a stinging clout round ... head where needed, we shall ...n be able to claim, with justi-...tion, that we are running the ...t argumentative and *least pro-...tive economy in the world.*

... McFarlane,
...epirish Grange, ...wick, Lincoln.

Basic commonsense

...m Mr. J. Thackway.

...ir.—As a manager actively ...aged in the industrial rela-...ns arena, it is a tonic to read, ...eit very occasionally, some ...at commonsense on the sub-... . Your editorial (September ...) is absolutely right. No ...ount of legislation, be it of ... union bashing or of the ...on seduction variety will ...e the country's industrial ...ness.

...ood industrial relations is a ...duct of basic commonsense. ...s about the involvement in ... "nuts and bolts" of normal human relationships at a local level by managers and supervisors, trade union officials and shop stewards, employees and trade unionists. Old-fashioned words like trust, integrity and leadership provide the foundation stones. Legislation is no substitute for the involvement in the unglamorous humdrum and often frustrating task of ensuring that human beings grouped together in an industrial complex live together in a sensible fashion.

It is the time for all who hold the national stage on both sides of industry to concentrate a little more on the bread and cheese aspects of the present rather than on the caviar concepts of the future.

J. Thackway,
2, Preston Way, Shelley Park, Highcliffe, Dorset.

Gold and reflation

From J. H. Woolfenden.

Sir,—I have read with the greatest interest Mr. C. Gordon Tether's excellent article on gold (September 12). How long it will be before the world recognises the need for the full monetary rehabilitation of gold may be a matter for conjecture but, as Mr. Tether points out, the first steps which could lead in that direction have been taken.

It is difficult under present world mismanagement to envisage how "reflation"—now the order of the day in the major industrial countries except (as yet) the U.K.—can be achieved without giving fresh impetus to *the inflationary spiral,* notably in the U.S., where the inflation rate, which had been brought down to 6 per cent., is now approaching 10 per cent. and said to be climbing. To keep things in perspective, it is worth bearing in mind that it would require no more than one American in 10 to buy just one ounce of gold to absorb virtually the whole of the 25m. ounces which the International Monetary Fund proposes to sell.

Markets almost invariably over-react to news, both good and bad, and sometimes get it wrong. Mr. Tether reminds us of the closing of the "gold window" in 1971, when the gold market—initially, at least—got the message wrong. Could it not well be that it has got it wrong again?

J. H. Woolfenden.
121, Stamford Street, Ashton under Lyne.

Unwanted milk

From Mrs. J. H. Gillington.

Sir,—Mr. R. F. C. Gray (September 16) once again raises the farmers' cry of lamentation at the prospect of a diminished number of dairy farms in this country. No amount of excuses about Green Pound "swindles" can disguise the fact that British *farmers are producing far more* milk than people want, need, or are prepared to pay for. As Mr. Gray has said, producing butter and skim milk is completely uneconomic in this country, and is only an alternative to pouring the milk down the drain.

Clever advertising and marketing techniques by the Milk Marketing Board have kept the milk surplus in being for some considerable time, but with entry into the EEC it is apparent that the whole Community is awash with dairy products and farmers must find some other way of turning their land into food for the people.

Vegetables and soft fruits are now so scarce and expensive as to be a luxury; veal is almost unobtainable: we are importing Chinese rabbits. Much of this is due to muddled and old fashioned marketing systems, but it still does not excuse the farmers who are trying to persuade the British public that they (the farmers) should be paid either by the consumer or the taxpayer for milk that nobody wants.

J. H. Gillington.
Wick Corner, Pans Lane, Devizes, Wilts.

Vivid reminders

From Mr. W. J. Moir.

Sir,—Lest Mr. R. J. Boyd (Sept. 10) be thought to be expressing a minority point of view, it might be of further relevance to point out that "despite the risks involved in comparatively unregulated overseas markets," both creditors and shareholders of Hutchison International have been protected (the former by strenuous lobbying, and the latter seemingly despite themselves).

Despite the commendable regulation of U.K. equity markets, the shareholder there undoubtedly emerges the villain of the piece. If he does not have to subsidise inefficiency and indolence by having unpalatable policies forced on the management of his company, he finds his returns pathetically small because of dividend restraint and, at the end of the day, finds himself, through his tax bill, financing the inefficiency and incompetence of companies in which he is fortunate not to be a shareholder.

The Hutchison International affair has come about not because of some Government decree that the continued existence of loss-making enterprises should be prolonged in order to maintain an increasingly inefficient and indolent work force but rather because institutions in Hong Kong have had many years' experience of acting, in times of adversity, to protect the integrity and reputation of a trading economy totally unprotected by tariffs and schemes of preference (albeit in the hope that a short-term risk can be turned into a long-term profit).

As an overseas investor the choice does not seem hard and, at the risk of seeming churlish, one cannot help but remark that profits such as those reaped in Hong Kong a few years ago cannot be taken without risk.

W. J. Moir.
19 Repulse Bay Road, Hong Kong.

Management drop-outs

From Mr. E. G. Heimsath.

Sir,—Mr. Campbell-Dick (Sept. 11) does well in his turn to draw attention to the lack of motivation of the investor, the entrepreneur and the manager. I would widen it to include the executive, defined as anyone who has a responsibility for managing something.

The fact is that when important decisions are taken nationally which affect the way the national economy is managed, executives do not seem to exist. The field is dominated by the trade union leadership, Government and Confederation of British Industry, not always, but usually, in that order.

As your editorial on worker participation in the same issue pointed out, it is entirely possible that unions will be allowed to use the new industrial democracy arrangements to increase the power they already wield unless someone does something to see that it does not become yet more out of tune with what most people want.

Executives, it seems to me, should be exerting their collective influence for the good of the nation in no mean manner, by proposing solutions to our most pressing problems. The disastrous consequences of leaving the field entirely to others are now plain for all to see, they having been predicted by some *of us for a very long time.*

At the very least one would expect, for example, executives now to impress a forthright collective view on the Government's Committee of Enquiry into industrial democracy. However, even the additional risk to the economy which would follow from a mis-management of that issue does not seem to activate executives as a group.

Could it be that we executives are in fact as incompetent and ineffectual as is sometimes suggested? Are we greatly to blame for the mess the nation is in for not having given the leadership to be expected from a group which produces real leaders in more physically dangerous times? I mean leaders who lead from the front, at the sharp end.

Perhaps there is a kind of inertia which even the current economic disaster and the threats of more to follow cannot overcome.

I doubt if a bit more money to keep in our pockets is a com*plete, or even the main kind of* motivation required in the circumstances.

E. G. Heimsath.
24, Little Bookham Street, Bookham, Surrey.

Chunnel investment

From Mr. Ralf Bonwit.

Sir,—Although Mr Cornish (September 11) is right to ask for more published information about the Channel Tunnel studies, he might have done well to study the Cairncross Report more thoroughly. For this does not expect the cancellation of the Tunnel project to save this country a penny in the not so very long run, since alternative investment in shipping, port facilities and link roads is expected to use up any immediate savings.

Ralf Bonwit.
"Sorby," Kiln Lane, Binfield Heath, Henley-on-Thames.

From 0 to 100 in three years

From Mr. H. Kaye.

Sir,—Extrapolating Anthony Harris' *straight line relationship* between savings ratio and liquid assets ratio, I observe that, if the liquid assets ratio is 100 per cent., the savings ratio is 0 per cent. If the liquid assets ratio is 25 per cent., the savings ratio is 25 per cent. If the liquid assets ratio is 0 per cent., the savings ratio is 33⅓ per cent.

This leads me to postulate that the savings ratio adjusts to a rate which will achieve a liquid assets ratio of 100 per cent. in three years.

H. Kaye.
"Dormers," 34 Earle Drive, Parkgate, Wirrall, Cheshire.

To-day's Events

GENERAL

EEC Finance Ministers meet to examine Commission's 1976 budget proposals, Brussels.

Swiss Finance Minister and its National Bank president head delegation for discussions with Finance Ministers of countries belonging to European currency "snake" with view to possible Swiss entry, Brussels.

Mrs. Margaret Thatcher, Opposition leader, gives Walter Heller international finance lecture, Roosevelt University, Chicago.

Labour Party-TUC liaison committee meets, London.

House of Lords returns for four days to complete business unfinished before the summer recess (see Parliamentary Business below).

Mr. Merlyn Rees, Northern Ireland Secretary, holds talks in London with Mr. Airey Neave, Conservative spokesman on Northern Ireland, who recently made two-day visit to Ulster.

Mr. Fred Peart, Minister of Agriculture, ends talks in Japan. He returns via Canada and will make brief visit to Ottawa.

Group of U.S. businessmen continue ten-day tour of British industrial areas.

Sir Monty Finniston, BSC chairman, speaks on "Future of Steel Corporation." University of Strathclyde, Glasgow.

Sir Henry Plumb, president, National Farmers' Union, speaks at Confederation of European Agriculture meeting, Edinburgh.

UN cocoa negotiating conference *opens, Geneva.*

PARLIAMENTARY BUSINESS

House of Lords: Employment Protection Bill, resumption of committee stage.

OFFICIAL STATISTICS

Sterling certificates of deposit (mid-Aug.).

London dollar certificates of deposit (mid-Aug.).

Gross domestic product (2nd quarter-prov.).

New vehicle registrations (Aug.).

COMPANY RESULTS

Booker McConnell (half-year).

John Laing and Son (half-year).

Parker Knoll (full year).

Spear and Jackson International (half-year).

Tilbury Contracting Group (half-year).

COMPANY MEETINGS

See Week's Financial Diary on Page 7.

COMPANY NEWS

Laird Group downturn—to lift payment

FOLLOWING their June last warning of lower profits in the current year, the directors of the Laird Group now report a fall in the first half taxable balance from £4.28m. to £3.53m., with the net profit down from £2.36m. to £1.75m.

And they say they expect profit for the second half to be comparable with that of the first. Pre-tax profit for all 1974 was £9.3m. and the net figure £4.80m.

The net interim dividend is lifted from equal to 1.12p, adjusted for a one-for-ten scrip issue, to 1.19p, and a total of 2.39p, against equal to 2.24p, is forecast—this would be covered 3.7 times on the basis of the profit expectation.

Holders were told in June that the group had experienced mixed fortunes in 1975, with the overall trend being to produce lower profits compared with 1974, and that it was expected that pattern would be maintained throughout the year. The group is engaged in the metal industries, transport and aviation, motor components and other engineering, and ship-repairing.

	Half year 1975 £000	1974 £000
Turnover	45,158	41,974
Profit	3,531	4,283
Tax	*1,780	1,925
Net profit	1,751	2,358
Dividends	472	443
Retained	1,279	1,915

* Includes £250,000 overseas (£225,000).

Statement, Page 24

HIGHLIGHTS

Half year results from the Laird Group, showing pre-tax profits down from £4.28m. to £3.53m., were the main feature of an otherwise quiet week-end for company news. Laird expects profits in the second half to be comparable with those achieved in the first six months. Topping the list of company statements in the current week is Burmah, which is due to announce interim figures on Wednesday. The week gets under way with interims from Laing and Booker McConnell today. To-morrow should see finals from Amalgamated Investment and Property and Bejam, plus half-yearlies from Combined English and United Newspapers. Interims are scheduled from Foseco Minsep, Laporte, Rowntree Mackintosh, Tootal and BOC (nine months figures) on Wednesday. Delta Metal, Metal Closures, Ozalid, Pearson Longman and Ransomes Sims are all announcing half-timers on Thursday.

Danae dividend policy

THE REDUCTION in the dividend total of Danae Investment Trust from 3.425p net to 2.831p for the year ended May 31, 1975, was decided upon because of the reduction in borrowing "which will tend to reduce earnings," and in the interests of the long-term future. During the year net earnings declined by about 4.2 per cent.

According to Mr. Robin Brook, chairman, in his annual statement, if interest rates remain at about the current level, and there is no major fall in equity share values, this dividend can be maintained during the year 1975/76.

This is despite borrowings now down to £1.3m. and the reduction to 19p on the net asset value per Income share on May 31, 1975—there were no net assets attributable to Capital shares.

In present circumstances the directors intend to continue a "cautious" approach to investment until the situation clears, the chairman adds.

Preferential Growth Trust holds 25.1 per cent. of the Income shares, which entitles it to about 17.5 per cent. of the voting rights of the company. Meeting, 64 Coleman St., E.C., October 15 at 11.15 a.m.

Sales down at Fox's Biscuits

THE RECESSION has already affected current year sales of Fox's Biscuits, but adjustments are being made to suit the changing conditions and ensure that maximum efficiency is achieved, says the chairman, Mr. S. C. Oldham.

He points out that it is impossible to forecast results in view of the uncertainty of the economic situation. The outcome of the delay in dealing with the national position, he adds, must depress trading opportunities.

As known group pre-tax profit expanded from £89,029 to £456,869 in the year to May 24, 1975, and the dividend is raised from 1.75p to 3.4531p net with Treasury consent.

Turnover increased by 45 per cent. to £9.8m. Exports were particularly buoyant with an increase of 82 per cent. to exceed one-tenth of total sales.

During the year there was a progressive lessening of the difficulties caused by material shortages and their rapidly rising cost, and this accelerated the recovery reported at the half-year, says Mr. Oldham.

The directors are concerned with the effect of inflation on assets. A professional valuation revealed an increase over the written-down value and it was decided to incorporate half of the increase (£0.8m.) into the accounts. It is intended to apply this principle at regular intervals.

Hinton Hill expansion

Insurance brokers, Hinton Hill, has formed two new subsidiaries in a further move to deal with the increase in business which followed the re-organisation of the group two years ago.

One, Hinton Hill Construction Insurance Services, will meet the specialist insurance needs of contractors operating on an international basis, and the second, Hinton Hill Reinsurance Brokers, will concentrate on marine reinsurance—this is a logical development following the formation of Hinton Hills and Coles (marine) which has just completed a successful first year's trading in marine insurance.

Other reinsurance business will still be handled by Hinton Hill International.

Executex recovery

FROM a lower first-half turnover of £369,802, against £413,997, Executex Clothes (men's tailored clothing) has achieved a turnround from a £49,330 net loss in 1974 to a net profit of £16,543 for the 1975 period.

And the improvement shown is being maintained, reports chairman Mr. S. Luper. Subject to unforeseen circumstances, the directors expect a satisfactory second half, he adds.

As reported August 29, the group incurred a loss of £95,813 for the year 1974 and, in addition, there were extraordinary factory closure and removal expenses of £22,950.

In his annual statement with the 1974 accounts, which accompany the half-year report, Mr. Luper explains that the high cost of financing stocks and "ever-increasing" costs of distribution all contributed to the adverse 1974 results.

Conditions in the industry continued to deteriorate and, since the Board did not anticipate the situation would show a substantial improvement in the short term, it decided to convert the bulk of production to sub-contracting and accordingly reduce manufacture of suits under the company's own label. To implement this policy, substantial stocks were cleared, albeit at a loss, and contracts were obtained to secure a regular flow of orders to the factory.

The decision to cut down on own-label manufacture brought with it considerable reductions in distribution overheads, the benefit of which will be felt in the second half of 1975, the chairman points out.

Meeting, Leeds, October 13 at 9 a.m.

Setback at British Titan

ON SALES down by more than £10m. to £42.68m., first-half profit of British Titan has slumped from £17.58m. to £3.72m. before tax of £1.89m., against £9.2m. Last year's profit amounted to £25.15m.

The halfway result is struck after interest charges unchanged at £1,104,000, against £1,119,000. Net profit is £1.83m. compared with £8.38m. and minorities take £126,000 (£801,000).

The directors say there has been a distinct improvement in the U.S. market in recent months but no change is yet apparent elsewhere.

The company manufactures titanium oxide and other titanium products. Its Ordinary capital is owned as to 43.59 per cent. each by ICI and Lead Industries Group, and 12.82 per cent. Federated Chemical Industries. As known it is proposed to change its name to Tioxide Group.

Statement, Page 24

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—Black and Edgington, Booker McConnell, East Sussex Engineering, John Laing, Low and Bonar, Spear and Jackson International, Tilbury Contracting.

Finals—A. B. Electronic Components, Empress Services, Milo Marsters, Parker Knoll.

FUTURE DATES

Interims—	
British Rollmakers	Oct. 7
Bunzl Pulp and Paper	Oct. 14
Cakebread Robey	Sept. 29
Duport	Oct. 13
Finlay Packaging	Sept. 25
Gardner (L.)	Oct. 1
Llords Industries International	Sept. 30
McBride (Robert) (Middleton)	Sept. 23
Robertson Foods	Nov. 20
Rotaflex (Great Britain)	Sept. 25
Telephone and General Trust	Sept. 25
Wolstenholme Bronze Powders	Sept. 30
Finals—	
Scholes (George H.)	Sept. 23
Vincent (Harry)	Sept. 23

Freddie Mansfield

Sir Kirby Laing, chairman of John Laing and Son, which is due to announce its interim profits to-day.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Laird Group	int.	1.19	Nov. 10	1.12*	—†	2.24*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † 2.39p total forecast.

Unitech cautious on outlook

At the annual meeting of Unitech, the chairman, Mr. P. A. M. Curry, said August results for the group were not up to expectations.

Should this trend continue the half-year results would be down on those of the equivalent period last year but "we still anticipate results for the year as a whole that are not dissimilar to those of the previous year."

He emphasised that the company was well positioned to take advantage of any upturn in the electronics industry.

There is again no interim payment—last year the company paid a dividend of 4.69p net.

Statement, Page 4

Maple Macowards repayment

Maple Macowards is to put forward proposals for the early repayment, at par, of its 8¾ per cent. first mortgage debenture stock, 1983-88, of which approximately £1.49m. is now outstanding.

The proposals follow the disposal for cash of a substantial part of the properties charged as security for the stock.

Proceeds are currently on deposit in the name of the trustees and application of this cash in the repayment would enable the company to be released from various restrictions, enabling it to deploy its assets more effectively.

FT Share Information Service

The following security has been added to the Share Information Services appearing in the Financial Times:—

Continental Car (Section: Industrials).

Cowan de Groot

Equalisation of the voting rights of "A" Ordinary and Ordinary holders has been approved by shareholders of Cowan de Groot. Equal voting rights will be given to "A" holders by reducing votes per Ordinary share from ten to one, after making a one-for-eight scrip issue to the Ordinary as compensation.

Following this, there is a one-for-one scrip issue to all shareholders, and so all these arrangements will be effected by scrip issues of five-for-four to the Ordinary, and one-for-one to the "A"

Ritz Hotel loss

Including investment income, and after charging for repairs and renewals, The Ritz Hotel (London) incurred a pre-tax loss of £45,948 in the half year to March 31, 1975, compared with a profit of £19,334 in the comparable previous year period. For the full year to September 30, 1974, profits amounted to £28,869.

	Half Year 1974-75 £	1973-74 £
Gross receipts	326,000	364,000
Pre-tax loss	45,948	‡19,334
Tax	8,174	10,500
Net loss	54,122	‡8,834

‡Profit

Stated loss per £1 share is 12p for the first half (earnings 2p).

Reunion Props.

First half 1975 gross rental income of Reunion Properties increased from £750,975 to £876,132 but profit declined from £627,951 to £596,745 before tax of £302,139, against £321,[illegible]4.

A total of £294,606 (£305,967) is retained.

For the full year 1974 profit amounted to £1.25m.

RESULTS AND ACCOUNTS IN BRIEF

WILLIAM BATE (HOLDINGS)—Interim dividend 1.05p net (same and 3.5p total) for half-year ended June 30, 1975. Turnover £3,737,646 (£3,710,925 and £7,363,788 for year 1974). Profit £166,511 (£202,468 and £526,655) less tax £60,000 (£116,000). Dividend £20,790 (same).

BRIDGEND INVESTMENTS—Gross income (including realised dealing profits of £937 (£8,471), £96,374 (£97,828) for six months to December 31, 1974. Pre-tax loss (after providing for unrealised losses in dealing subsidiary £787 (nil), £12,356 (profit £1,509). Tax nil (£600). Board intend that year-end should be brought into line with principal operating subsidiary and current financial period will be extended by six months and will run to December 31, 1975.

EAST RAND CONSOLIDATED—Pre-tax profit for first half 1975 £420,000 (£247,000) including interest and dividends £133,000 (£142,000). Investment sale profit £302,000 (£123,000), royalty £13,000 (£13,000) and subsidiary profit £8,000 (nil), but after administration and general expenditure £30,000 (£28,000) and interest payable £5,000 (£3,000). Tax £177,000 (£105,000), leaving £243,000 (£142,000).

DOORNFONTEIN GOLD MINING COMPANY—Results year ended June 30, 1975 already known. Fixed assets R58.00m. (R54.47m.). Current assets R25.81m. (R28.36m.). Current liabilities R21.02m. (R23.6m.). Meeting, Jo'burg, October 16.

GENERAL INVESTORS AND TRUSTEES—Franked income, half-year to July 31, 1975, £288,106 (£280,778 and year to January 31, 1975, £526,518). Unfranked £140,778 (£164,409 and £298,912). Other income £52,893 (£97,383 and £190,181), making £481,771 (£542,570 and £1,015,611). Administration expenses were £59,375 (£38,124 and £78,321). Interest £128,058 (£137,899 and £289,147), and tax £113,596 (£136,380 and £244,394), leaving net revenue £180,762 (£230,227 and £423,540). Preference dividend £8,661 (same and £13,721). Ordinary interim 1.05p per share, already known, £134,483 (same and £358,622). Net asset value per Ordinary 25p share 96.9p (77.3p). Fall in unfranked income due to repayment of approximately 50 per cent. of multi-currency loan facility in August, 1974. Reduction in other income due to lower interest rates in first six months of the current year on smaller liquid funds. Dividends forecast to be paid in merger with City and Gracechurch Investment Trust should be covered by income of combined portfolios in year ending January 31, 1976, directors state.

GOLD AND BASE METAL MINES—Nigerian revenue for first half 1975 £410,000 (£849,000 and £1,188,000 for 1974), including sales of concentrates £408,000 (£845,000 and £1,182,000) and dividends and interest £2,000 (£3,000 and £4,000). Mining costs and royalty £366,000 (£547,000 and £737,000). Depreciation £13,000 (£14,000 and £23,000), leaving mine profit £31,000 (£287,000 and £426,000). U.K.: Administration and general expenditure £8,000 (£8,000 and £12,000). Interest payable £2,000 (nil). Interest received £2,000 (£2,000 and £4,000). (Exchange profit nil (nil and £5,000). Profit £25,000 (£281,000 and £426,000) before tax £13,000 (£129,000 and £192,000). Production (tonnes): Cassiterite 190 (239 and 472); Columbite 3 (4 and 12).

HARTEBEESTFONTEIN GOLD MINING—Results for year to June 30, 1975 already known. Fixed assets R113.38m. (R107.62m.). Current assets R50m. (R50.51m.), liabilities R46.44m (R46.46m.). Meeting, Johannesburg on October 14.

KLOOF GOLD MINING COMPANY—Result for year to June 30, 1975, already known. Fixed assets R100.06m. (R86.5m.). Current assets R38.49m. (R30.41m.), current liabilities R20.36m. (R24.06m.). Meeting, Johannesburg, October 16.

LIBANON GOLD MINING COMPANY—Results for year to June 30, 1975, already known. Fixed assets R42.79m. (R33.69m.). Current assets R19.35m. (R28.82m.), current liabilities R11.5m. (R19.83m.). Meeting, Johannesburg, October 16, at 10 a.m.

NEW HIBERNIA INVESTMENT TRUST—Net asset figure applicable to Ordinary units at August 29, 1975 was 40p. If allowance is made for full conversion of unsecured loan stock, figure at August 29, would be 43p.

SHEFFIELD BRICK GROUP—Interim dividend 0.75p net (same). Turnover for first half 1975 £900,562 (£965,953). Pre-tax profit £44,595 (£81,329). Tax £22,672 (£40,220) leaving £22,323 (£41,108). Earnings per share 2.25p (4.18p).

VENTERSPOST GOLD MINING COMPANY—Results year ended June 30, 1975 already reported. Fixed assets R34.75m. (R28.95m.). Current assets R10.4m. (R15.64m.) and liabilities R4.22m. (R9.3m.). Meeting Johannesburg, October 14

WEST DRIEFONTEIN GOLD MINING COMPANY—Results for year to June 30, 1975, already known. Fixed assets R122.36m. (R115.77m.). Current assets R145.8m. (R141.49m.), current liabilities R124.99m. (R122.09m.). Statement of source and application of funds shows increase in net working capital of R1.41m. (R4.45m.). Meeting, Johannesburg, October 16, at noon.

WILLIAMS AND JAMES (ENGINEERS)—Interim dividend 0.183p (0.361p) equivalent to 6 per cent. gross (same). Sales for first half 1975 £1,620,488 (£1,356,963). Net profit £136,274 (£66,781) before tax £70,862 (£31,611).

BIDS AND DEALS

Legal & General—Norwich Union link in South Africa

Legal and General Assurance Society and the Norwich Union Insurance Society plan to merge their general insurance business in South Africa from January 1, subject to the necessary Governmental approval. This will be achieved by setting up a new South African-registered company in which L and G and Norwich Union will each have a 50 per cent. shareholding.

The new company, which will have a net asset value of R8m., will trade quite independently, quoting its own premium rates, doing its own underwriting, and having its own staff and agents. In 1974, premiums income for general business of Norwich Union and L and G amounted to R12.2m. and R6.7m. respectively. The combined incomes will put the new company among the leading 10 non-life insurers in South Africa.

General manager of the merged company will be Mr. F. L. Bull, the present general manager of Norwich Union of South Africa. Mr. Bull said the merging of interests from a position of strength would enable the new company to be a more dynamic force in the general insurance market in South Africa than would have happened if the interests had remained separate.

L and G and Norwich Union will still continue to write life assurance and pensions business in the Republic under their own names.

SUREGAIN

Acceptances of the offer for Suregain Securities for Ordinary and Preference shares by Dowgate and General have received in respect of 91.[illegible] per cent. of the Ordinary capital and 80.7 per cent. of the Preference. The offers remain open and Suregain's intention to acquire compulsorily any outstanding Ordinary shares.

TDG PURCHASE

Transport Development Group subsidiary, Freight Transport Holdings, has acquired [illegible] Denton and Frank Morgan Co., both based in Sale, Cheshire, and engaged in heavy haulage and plant removals. Aggregate value of net assets is approximately £106,000.

SPIRELLA HAS [illegible] OF VANTONA

The offer on behalf of Spirella for Vantona has been accepted by 84.58 per cent. Listing for new Spirella securities issued has been granted. Spirella has declared the offer fully unconditional—it is now interested in 91.13 per cent. The offer has been extended for 14 days until October [illegible] late acceptances.

Christie Tyler sees advance

THE CURRENT year has started encouragingly at Christie-Tyler with sales and profits "much up" in the first quarter over the previous year, says chairman, Mr. G. M. Williams, in his annual statement.

While he anticipates that trade may become difficult later in the year—if the Government's planned reduction in disposable incomes takes effect—present signs are that this year "will show a further advance in the company's fortunes," he adds.

The company, which makes upholstered and cabinet furniture, is in "a strong financial position." Net cash balances increased by £350,000 (£314,000) last year.

As known, turnover increased from £15.87m. to £22.24m. and pre-tax profit from £1.63m. to £1.87m.—both records—in the year to April 30, 1975, and dividends are up from 5p to 5.30405p net. Conditions generally were difficult from May to August, with retailers de-stocking on a substantial scale, but for the last months they showed a "marked improvement."

With the exception of Arkana (Holdings) all subsidiaries traded profitably. The chairman states that the U.K. results of [illegible] are forecast to break even [illegible] as the new product range [illegible] to be accepted on the market. It has been decided to concentrate on the U.K. [illegible] Arkana's business and the overseas company has been completely run down. Provision has been made for terminal losses in the 1975 accounts.

Industrial and Commercial Finance Corporation and its associates held 34 per cent. of the Ordinary shares at August [illegible] 1975.

Meeting, Cardiff, October [illegible] noon.

GROVEBELL

Grovebell Group states [illegible] respect of the 9 per cent. cumulative Preference dividend paid on September 30, the [illegible] per cent. was shown as 3.[illegible] This should have been 2.[illegible] and the amount payable [illegible] per share should also be [illegible] to read 2.925p net.

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Pending dividends timetable

For the convenience of readers the dates when some of the important company dividend statements may be expected in the next few weeks are given in the following table. The dates ... are those of last year's announcements, except where ... coming Board meetings (indicated thus*) have been officially ...shed. It should be emphasised that the dividends to be ...red will not necessarily be at the amounts or rates per cent. ...n the column headed "Announcement last year." Preliminary figures usually accompany final dividend announcements.

	Date	Announcement last year		Date	Announcement last year
[illegible]					
...ana (London)	Oct. 1	Int. 10.7%	Tate and Lyle	Sept. 19	2nd Int. 7.76%
...s Withy	Oct. 21	Int. 3.7%	Thomson Organisation	Oct. 3	Int. 9.8%
...d Duffus	Oct. 24	Int. 11.9%	Turner Kemsley	Oct. 22	Int. 4.1%
Hope	Oct. 23	Final 21.9%	UBM	Oct. 24	Int. 10%
...	Oct. 16	Final 12.7%	UDS	Oct. 14	Int. 12%
...Prop. Trust	Sept. 24	Int. 5.6%	Wm. Hudson	Aug. 29	Final 21%
...rehouses	Oct. 8	Int. 9.8%			
...ddeley	Oct. 13	Int. 8.6%			

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

...L AUTHORITY loan rates generally firmer last week ... deposits at three-months improved to 10$\frac{7}{16}$-10½ per ... from 10¼-10⅜ per cent., ... six-month deposits in...d to 10⅝-10¾ per cent., from ... per cent. The one-year ...age was quoted at 11½ per ... compared with 11⅜-11$\frac{7}{16}$ per cent., and the two-year at 12¼-12½ per cent., against 12-12¼ per cent.

The Financial Times Government Securities index increased to 61.23, from 61.03 previously.

One-year local authority bonds were placed during the week at par, with a coupon of 11½ per cent., to offer a yield ⅛ per cent. higher than the previous week's batch.

Rate (%) September 19, 1975

...s' notice (deposit receipt)	10 —10⅛
...s' notice (deposit receipt)	10¼ —10½
...s' notice after one month (deposit receipt)	10½ —10½
...s' notice after three months (deposit receipt)	10$\frac{7}{16}$ —10½
...s' notice after six months (deposit receipt)	10¾ —10⅞
...age at one month's mutual notice after 11 months	11½
...age at one month's lender notice after 11 months	
...ominal term 2-5 years	n.a.
...ars' mortgage	12¼ —12½†
...ars' mortgage	12¾ —13†
...ars' mortgage	13½ —13¾†
...ars' mortgage	13¾ —14¼
...years' mortgage	n.a.
...years' mortgage	n.a.

Rates are for sums not less than £20,000 and are subject to local ...ions and fluctuations. † Nominal. ‡ Shorter periods may attract ... rates than longer. n.a. Not available.

Public Works Loan Board rates

Effective from September 13, 1975

Years	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans A* Repaid By instalments	Non-quota loans A* Repaid At maturity
5	11⅝	12	12⅜	13¼
5, up to 10	12	12¾	13¼	13⅜
10, up to 15	12½	13¼	13⅜	13⅞
15, up to 25	13¼	13⅞	13⅞	14⅛
25	13⅞	14	13⅞	14½

Non-quota loans B are 1 per cent. higher in each case than ...iota loans A.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1975 High	1975 Low	Stock	Closing Price	+ or −	Div.	Times covered	Gross Yield	P/E Ratio
F.P.	—	[illegible]	177	175	Brazilian Inv. S.A. ...£76						
F.P.	—	[illegible]	169	161	Corn Exchange	161	−2	b1.62	2.5	1.5	41.6

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

[illegible]

INTERNATIONAL COMPANY NEWS

CII-Honeywell-Bull merger date set

BY RUPERT CORNWELL

PARIS, Sept. 21.

THE FRENCH Industry Minister *M. Michel d'Ornano* has confirmed that the merger of Honeywell Bull and the French State-backed computer group CII will take effect on October 31. He also revealed the launching of a plan to re-organise the country's peripherals and mini-computer industries in the aftermath of the CII deal.

However, in his speech to open the 26th *SICOB here M d'Ornano* was notably uninformative on the details of either of the two announcements. At the exhibition he was also greeted by a demonstration of CII personnel, still unhappy with the Government's decisions over the future of the data processing industry in France.

The Industry Ministry's aim *for the peripherals side* is for two or three French groups "of international size," into which the several smaller companies operating in the field could be regrouped. M. d'Ornano promised Government financial aid and orders for participants in the plan.

Nonetheless, by every account matters are far from settled. One obvious "group" would be Thomson Brandt, which last week confirmed negotiations with *La Telemecanique* to pool their mini-computer divisions. The problem is CII's Toulouse factory, which would be a part of any such re-organisation, and for which Thomson, as the largest private shareholder in CII, is demanding a reported Frs.600m. of public money as the price of its support.

On the mainframe merger *between Honeywell and CII*, the Minister said that the basic problems were now settled.

Cofimer, Cegepar plans

BY RUPERT CORNWELL

PARIS, Sept. 21.

THE PARIBAS banking and investment group has announced that it intends to absorb the two smaller financial companies Cofimer and Cegepar, thus bringing to an end the uncertainties created by the sudden Bourse trading halt in their shares *on Wednesday*.

Under the deal, Paribas is planning to offer three of its own shares for every five in Cofimer, and two for every five in Cegepar. On the basis of *Friday's* Paribas closing price of Frs.168, the two are valued at Frs.101 and Frs.67 per share, and predictably Friday's resumption of dealings saw them both marked up sharply to Frs.96.50 and Frs.64.50 respectively.

The operations hint to a streamlining of Paribas' interests, especially in the foreign trade field. Cofimer, in which the group already holds 23 per cent., is capitalised at Frs.155m., and is a holding company with interests in Africa, the U.S. and Canada.

SNPA first half profit up

PARIS, Sept. 21.

SOCIETE NATIONALE des Petroles d'Aquitaine (SNPA) *first half 1975 non-consolidated* net profit rose to Frs.395m. from Frs.305m. It previously announced that first-half net turnover was Frs.1.32bn. (1.12bn.).

Hydrocarbon exploration in France and elsewhere has been amortised along normal lines. The company has made an additional provision of Frs.90m. to cover the major exploration effort *of foreign* subsidiaries

Reuter

IHC sees second half downturn

By Michael Van Os

AMSTERDAM, Sept 21.

IHC HOLLAND, the specialised Dutch shipbuilding group, reiterated the statement which it made in May that this year's results *would show an improvement* from 1974 when profits totalled only Fls.4.4m. as a result of some incidental losses on orders.

In a rather vague statement released in Rotterdam over the week-end, on which the company would not elaborate, IHC Holland said that fewer orders had been received than expected *in view of the world economic* recession. This, it said, would have an adverse effect on the second half's results especially, of those subsidiaries which execute orders which take a *relatively* short time to complete.

"This is why we do not exclude the possibility that the group results in the second half will remain below the first half, which had been a satisfactory period," the company's management board said in the statement. A spokesman commented that it was not possible to give a fair idea about the first half profit performance because of the nature of the large capital goods business and the group's dependence on large orders. But it still expects results for the full year to show an improvement on 1974.

IHC said the order portfolio totalled Fls.1.16bn. at the end of the first six months of this year compared with Fls.1.53bn. at the end of 1974. The value of production had reached Fls 486m. during the first half compared with Fls.380m. in the same period last year.

Billerud profits plunge

By John Walker

STOCKHOLM, Sept. 21.

BILLERUD, THE Swedish forest industry group, reports that sales for the first seven months of this year dropped by Kr.100m. to Kr.700m. (£75m.), compared with Kr.800m. for the same period last year. The pre-tax profit during the January-July period this year declined by 67 per cent. to Kr.41m. (£4.4m.) compared with Kr.124m. *in the same period in 1974.*

The market for forest industry products deteriorated heavily during the first half of this year, the company says. Deliveries by volume were down for all the concern's main products. Demand, it is hoped, will show an upturn during 1976. Higher costs and wage increases are primarily the cause of the present situation, the company says.

The result for the whole of this year is expected to be at about the 1973 level—the 1974 result was an exceptionally good one due to higher prices and increased deliveries. The order intake during recent months has been somwhat lower, but it is forecast to show some increase during the last few months of this year. The company does not anticipate an increase in stocks: instead it is prepared to limit production if necessary.

World Economic Indicators

EXTERNAL TRADE

		Aug. '75	July '75	June '75	Aug. '74
U.K. £m.	Exports	1,494	1,546	1,493	1,387
	Imports	1,864	1,840	1,598	1,708
	Balance	−370	−293	−160	−321
France Frs.m.	Exports	13,384	19,763	18,550/20,605	14,319
	Imports	13,106	18,449	15,460/18,116	16,406
	Balance	278	1,314	2,489	−2,087
Japan $m.	Exports	4,320	4,700	4,400	4,950
	Imports	3,810	4,170	3,905	4,378
	Balance	510	530	495	572
		July '75	June '75	May '75	July '74
U.S. $m.	Exports	8,885	8,692	8,145	8,306
	Imports	7,908	6,954	7,093	8,921
	Balance	977	1,737	1,051	−615
W. Germany DMm.	Exports	19,060	18,550	17,500	20,400
	Imports	15,340	15,460	14,250	15,950
	Balance	3,700	3,090	3,300	4,450
		June '75	May '75	Apr. '75	June '74
Italy Lirebn.	Exports	1,957	1,705	1,761	1,552
	Imports	2,162	1,848	1,870	2,149
	Balance	−205	−145	−109	−597
Belgium & Luxembourg B.Frs.bn.	Exports	87.61	82.86	91.30	100.40
	Imports	92.65	85.14	99.65	92.87
	Balance	−5.25	−2.28	−8.35	−7.53
		May '75	Apr. '75	Mar. '75	May '74
Holland Fls.m.	Exports	6,069	6,834	5,951	6,657
	Imports	6,119	6,280	6,307	4,687
	Balance	−50	554	−356	−30

Money and Exchanges

Sterling came under renewed pressure in the foreign exchange market, because of a heavy demand for the U.S. dollar and fears of a strike in the British steel industry. The pound fell steadily over most of the week and touched successive all time trading and closing low points in terms of the dollar, on Tuesday, Wednesday and Thursday. At the close on Thursday sterling was at $2.0790-2.0800, having touched $2.0765-2.0775 during the afternoon. *In contrast, however, the* pound's trade-weighted average depreciation, as calculated by the Bank of England, remained fairly steady, widening slightly to around 27.7 per cent., for the most part. *This reflected the weakness* of most other *major* currencies against the U.S. unit.

In fairly quiet conditions on Friday sterling improved a little to $2.0805-2.0815, a fall of 2.6 cents on the week, and the depreciation stood at 27.5 per cent., compared with 27.4 per cent. previously. The dollar's trade-weighted average depreciation, as calculated by Morgan Guaranty of New York, improved to 1.73 per cent., on Friday, its best level since January 1974, having narrowed steadily, as a result of indications that the U.S. economy is recovering from the world recession more quickly than the other industrialised countries. The dollar depreciation stood at 2.32 *per cent. at the end of the* previous week.

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

Gold declined sharply to $135¾-$137¼, a fall of $11¼ on the week, and a loss of $25¾ since the decision by the International Monetary Fund earlier in the month to sell part of its gold holdings. The metal has suffered from the strength of the dollar and from the lack of confidence in the future movement of the gold market.

Day-to-day credit was in good supply in the London money market around the middle of last week, but conditions became more difficult in the latter part. A large surplus on Tuesday and Wednesday required large sales of Treasury bills by the authorities to absorb the surplus, but a shortage had developed by Thursday and the Bank of England purchased a moderate amount of Treasury bills on Thursday and gave a very large amount of help on Friday to the market.

Short-term fixed period interest rates declined slightly in the early part but showed little overall change.

EXCHANGE CROSS-RATES

Sept. 19	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankf't	—	2.6580-96	58.38-49	6.65-66	5.45-49	97.39-50	96.85-90
N. York	37.83-96	—	22.15-16	2.624-528	2.080-0806	36.94-97	36.75-78
Paris	171.0-40	4.507-517	—	11.370-386	9.379-403	166.61-025	165.70-6.10
Brussels	14.99-15.06	39.60 65	3.76-79	—	82.34-54	14.62-62	14.65-59
London	6.45-49	2.0205-16	9.59¼-40¼	82.45-65	—	5.62¼-63¼	5.65¼-65¼
Amsterdam	102.655-705	2.7042-67	59.94-99	6.825-830	5.6245-95	—	99.365-415
Zurich	103.14-28	2.718-720	60.23-31	6.86-27	5.658-665	103.51-65	—

U.S. $ in Montreal: U.S. $1=[illegible] Canadian cents. Canadian $ in New York: [illegible]. U.S. $ in Milan [illegible]. Sterling in Milan [illegible].

EURO-CURRENCY INTEREST RATES

Sept. 19 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term	[illegible]					
7 days' notice	[illegible]					
Month	[illegible]					
Three months	[illegible]					
Six months	[illegible]					
One year	[illegible]					

[Footnotes illegible]

LONDON MONEY RATES

Sept. 19 1975	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills	Bank bills	Fine trade bills
Overnight	—	10-10¼	—	—	—	10-11	9-11	—	—	—
2 days notice	—	—	10-10¼	—	—	—	—	—	—	—
7 days notice	[illegible]									
One month	[illegible]									
Two months	[illegible]									
Three months	[illegible]									
Six months	[illegible]									
Nine months	[illegible]									
One year	[illegible]									
Two years	[illegible]									

[Footnotes illegible]

FORWARD RATES

—	One month	Three months
New York	0.65-0.55 c.pm	1.75-1.65 c.pm.
Montreal	0.45-0.35 c.pm	1.30-1.20 c.pm
Amsterdam	2¾-2¼ c.pm	10¾-9¾ c.pm
Brussels	40-20 c.pm	110-90 c.pm
Cop'n'hg'n	6-3 ore pm	17-14 ore pm
Frankfurt	3¼-2½ pf. pm	10¼-9¼ pf. pm
Lisbon	20c.pm-50 c.dis	40c.pm-70 c.pm
Milan	1 lire pm 2 lire dis	1 lire pm 2 lire dis
[illegible]		

Six-month forward U.S. dollar [illegible] and 12-month [illegible].

SPECIAL DRAWING RIGHT RATES

	Sept. 19	Sept. 18
Sterling	0.564358	0.564616
U.S. dollar	1.17398	1.17570
Belgian franc	46.5356	46.3872
Deutsche mark	3.09168	3.09186
French franc	5.29700	5.28565
Italian lira	800.214	799.211
Japanese yen	352.664	353.674
Dutch guilder	3.17630	3.17557
Swiss franc	3.28765	3.28991

Values are for conversion against the SDR as calculated by the International Monetary Fund in Washington.

GOLD MARKET

	Sept. 19 1975	Sept. 18 1975
Gold Bullion (a fine ounce)		
Close	$135¾-137¼	$138¾-139¾
Opening	$135-137	$142½-143½
Morning fix'g	$137.00 (£65.818)	$142.90 (£68.629)
Afternoon fix'g	$135.50 (£65.110)	$139.50 (£67.116)
Gold coins (domestically)		
Krugerrand	$140-142 (£67¼-68¼)	$143½-145½ (£68¾-69¾)
New sov'r'gns	$41¾-43¾ (£20-21)	$45½-45½ (£21-22)
Old sov'r'gns	$41¾-43¾ (£20-21)	$43¼-45¼ (£20¾-21¾)
Gold coins (Int'rn't'n'ly)		
Krugerrand	$139-141 (£66¾-67¾)	$143½-145½ (£68¾-69¾)
New sov'r'gns	$42¼-43¼ (£20¼-20¾)	$42½-43½
Old sov'r'gns	$41-43 (£19¾-20¼)	$42-43
$20 Eagles	$225-226	$225-226
$10 Eagles	$107-110	$108-111
$5 Eagles	$70-73	$71-74

FOREIGN EXCHANGES

Sept. 19 1975	Bank rate %	Day's spread	Close
New York	[illegible]		2.0805-2.0815
Montreal	[illegible]		2.1320-2.1325
Amsterdam	[illegible]		[illegible]
Brussels	[illegible]		82.45-82.65
Copenhagen	[illegible]		12.75
Frankfurt	[illegible]		5.45-5.49
Lisbon	[illegible]		56.70
Madrid	[illegible]		125.80
Milan	[illegible]		1,421
Oslo	[illegible]		11.72¼
Paris	[illegible]		9.40½
Stockholm	[illegible]		9.54½
Tokyo	[illegible]		620
Vienna	[illegible]		38.85
Zurich	[illegible]		5.65½

Rates given are for convertible francs. Financial franc [illegible].

OTHER MARKETS

	Note Rates
Argentina ... Argentina	170-200
Australia ... Austria	37½-39
Brazil ... Belgium	82½-84½
Finland ... France	21-26
Greece ... Germany	5¼-5.18
Hong Kong ... Italy	1,350-12.7
Iran ... Japan	9.20-9.40
Kuwait ... Netherlands	5.55-5.59
Luxembourg ... Norway	37¼-39½
Malaysia ... Portugal	1,500-1550
New Zealand ... Spain	620-650
Saudi Arabia ... Switzerland	5.45-5.55
Singapore ... United States	11.55-11.75
South Africa ... Yugoslavia	[illegible]
U.S.	[illegible]
Canada	[illegible]

Based on rates quoted by special dealers. [illegible]

WEEKLY AVERAGES OF U.K. INDICES

Week to—	Sept. 19	Sept. 12	Sept. 5	Aug. 29
Financial Times				
Govt. Secs.	[illegible]			61.00
Fixed Interest	[illegible]			61.15
Industrial Ord.	[illegible]			321.4
Gold Mines	[illegible]			344.4
Gold Mines (Ex-S pm.)	[illegible]			5,184
F.T. Actuaries				
Ind. Group	[illegible]			127.90
500 Share	[illegible]			141.02
All-Share	[illegible]			173.55
Rhine Govt.	[illegible]			56.09
Red. Debs.	[illegible]			47.74

MINING NOTEBOOK

Brokers' bearish views on Golds persist

BY LODESTAR

PLENTY OF publicity has been given here in recent months to brokers' bearishness about gold and Gold shares. So much so that in response to readers' queries I *promised on July 28* to give equal prominence to any turnround that they may make on to the bull tack. In present circumstances such an opportunity seems unlikely to occur for some time.

Indeed, *analysts* are beginning to make earnings and dividend forecasts assuming a gold price received by the South African mines at as low as $125 an ounce. The June quarter average was $163. *The scaling down of the* estimates also takes into account the recent tendency for the Reserve Bank to hold increasing amounts of newly-mined gold off the market.

As *reported in last* Thursday's Mining News column, in the week to September 12 some 20 per cent. of mine production was held back. For this the mines only get $42 an ounce thus dragging down the overall average received. They can hope, of course, that when it re-appears from the country's reserves it will be sold at a higher price than the depressed level currently prevailing. Friday's price was $136½.

Graphic table

A simple, but graphic, illustration of how a lower gold price makes a varying impact on profits *from mine to mine* has been compiled by London brokers Rowe and Pitman. It takes the June quarter pre-tax profit per ounce and compares it with figures calculated at $150 an ounce and allowing for a 25 per cent. escalation of costs. It admittedly ignores the fact that some mines could reduce the profit decline by raising the grade of ore milled. And the sliding scale tax rate could also be a shield plus the *continued operation of the state aid* scheme.

At one end of the scale West Driefontein would only suffer a fall of 15 per cent. in gross profits. At the other end Grootvlei's surplus would be knocked down by 90 per cent. while seven mines would be making a loss. These are Vlakfontein, Venterspost, East Rand Proprietary, Stilfontein, Free State Saaiplaas, *South African Land and* Loraine while Durban Deep would make a larger loss than in the June quarter.

Apart from West Driefontein the other top four with a percentage drop of less than 20 are Free State Geduld, East Driefontein, St. Helena and Western Holdings. In the over 60 per cent. class come Harmony, Leslie, Elsburg, Western Areas, Welkom and, as previously stated, Grootvlei.

Rowe and Pitman are generally bearish about the medium-term prospects for the bullion price. They are considered to be uncertain for at least the rest of this year. But, it is added, gold has been written off several times in the past and has then bounced back. It will probably happen *again they say*, "*possibly* as the reflation measures of the major nations refuel inflation fears, but not for a few months yet." In the meantime, they naturally recommend their clients to stick *with the shares of the mines* at the top end of their table. As previously, I endorse this view. At least, last night's Rand devaluation will be a boost for earnings.

Hartebeest

The Hartebeest annual report issued over the week-end contains one element of truth about the South African gold producers' profit prospects from their big uranium constituent. The Anglo-Transvaal group company's chairman, Mr. Basil Hersov, says that, although there has been a marked improvement in the market for *uranium oxide, no substantial* increase in the Hartebeest earnings from this nuclear material is likely for "some years."

This is because the company is committed up to the end of 1977 to contracts negotiated before the world market for uranium became transformed from a buyers' to a sellers' situation. So Hartebeest shareholders should now be primarily pinning their expectations on the dispiriting *gold*-mining scene and only looking to a long-term saviour from uranium.

In these circumstances the record 215 cents (144p) dividend for 1974-75 is the chairman admits *a thing of the past. The shares* fell another £1 to £16½ on Friday. They could fall further this morning in view of Mr. Hersov's reiteration of his previously expressed view that it is to the *next decade that shareholders* really have to look for the uranium profit explosion.

What does management do if it is sitting on one of the world's greatest mineral deposits and is prevented from exploiting it because of governmental procrastination? The two greatest examples that I can think of are Tara Exploration's Navan zinc-lead find, although the company has at last been granted its long-delayed government lease, and Australia's equally politically embroiled Pancontinental uranium operation.

I gather from Sydney that the latter company with its strong Canadian connections and its Getty Oil backing may not be prepared just to sit back and await Minerals and Energy Minister Mr. R. F. X. Connor's go-head for a project which in any case ranks number two to the "all-Australian" Peko-Wallsend-EZ Industries Ranger uranium project.

So, it is reported, Pancontinental is preparing to branch out into one of the world's principal sources of uranium, Canada, a theory which seems feasible in the light of its chairman, Mr. Tony Grey, being a Toronto man. This possibility could add an even greater yo-yo element to Pancontinental's stock market career than hitherto with a slight emphasis on the upward rather than the downward yo. Friday's London price cum premium was 330p.

Transterra

On September 2 our Mining News column recorded a gold find in the northern Cape Province by a company called Transterra and quoted the management as playing down the discovery in the light of considerable publicity in South Africa that had been blowing it up into a giant open-cast prospect.

It is probably because of the initial exaggerations that inquiries have been coming in as to whether the shares can be purchased. They are not, in fact, listed in Johannesburg although they are believed to have been changing hands privately. I understand that steps may be taken in due course to obtain a stock exchange quotation.

But, as the Financial Mail points out, the management realises that *in the light of recent events the* prospectus would no doubt be subject to close scrutiny, not least by the JSE. The company's other mining prospects are said to include the Sabi gold venture in *Rhodesia, a copper project north* of Windhoek and mica workings in the eastern Transvaal. A company spokesman conceded that the conflicting publicity had done the company "considerable damage."

Brokers back Sandilands

BY TERRY DODSWORTH

BACKING for the Sandilands report on inflation accounting comes to-day from brokers Rowe and Pitman, Hurst-Brown in its monthly market report.

But Professor Edward Stamp, Professor of Accounting Theory at the University of Lancaster, yesterday attacked the report for containing "nothing original," and said it should not be accepted "as uncritically as many commentators had done."

In its market report, Rowe and Pitman, Hurst-Brown says that the Sandilands Committee has demonstrated that using traditional accounting procedures, companies are allowing themselves to be eaten away by inflation.

"We find it a horrifying revelation that few companies make any special adjustments for *inflation, even in their management* accounts. Because their depreciation is understated, their profits are overstated.

"These overstated profits are then used as the basis for company pricing policies, Government price controls and taxation."

Such policies, the broking company suggests, give consumers a brief advantage at the expense of the future viability of industry. "It becomes another example of the national game of eat the seedcorn."

Professor Stamp, speaking at a conference in Oxford yesterday, said that the Accounting Standards Steering Committee had, in its Corporate Report, issued an account several weeks before Sandilands, that was "broader *in* its scope, very advanced and enlightened in its thinking, more flexible in its approach, much more lucid and a good deal less verbose."

Comparing the two reports in more detail, Prof. Stamp said the Corporate Report contained a chapter on asset valuation and income measurement "*far ahead* of Sandilands in its thinking."

It advocated "value to the firm with the sensible recommendation, absent from Sandilands," that account be taken of changes in the purchasing power of the pound.

Ocean Transport sells super-tanker Titan

BY ARTHUR SANDLES

OCEAN TRANSPORT AND TRADING has "sold satisfactorily" its super-tanker Titan to Mobil Shipping and Transportation. The ship cost £9m. to build and another recent sale at a reported price of £5.75m. fell through.

In a much-troubled world of super-tankers, hit by falling oil consumption and the reopening of the Suez Canal, the Titan has had more than its share of newsmaking.

In May of this year, she was repossessed by Ocean from the Reksten Organisation and eventually Ocean received £3.4m. in recompense for its claim against Reksten for not completing a 1971-80 charter contract.

It has yet to be disclosed who paid the £3.4m.

Titan has just completed a spot charter for Huron Liberian, a subsidiary of Standard Oil (Sohio). The 226,000-ton-dwt. ship is at present tank cleaning in the Bristol Channel and will be handed over after dry-docking.

More tanker activity

BY JAMES McDONALD, SHIPPING CORRESPONDENT

MOST sectors of the oil tanker charter market last week experienced more activity together with some improvement in freight rate levels in advance of any possible crude oil price increase at the end of this month.

An exception to this general trend, however, was the Persian Gulf where, according to John I. Jacobs's weekly report, little business was finalised "due no doubt to oil companies speeding up tonnage to ensure September loading, thereby absorbing most of the available stems for this *loading position.*"

Mobil is reported to have purchased VLCO tonnage (supertankers over 200,000 tons) and to have amended its long-term *requirements to one, two or* three years "for which their ideas are said to be Worldscale 25-27 and Worldscale 25-30 for the respective periods," says Jacobs.

Shell Houston, after a large reply to its inquiry, countered to 50,000-tons motorvessels for three years' timecharter at the equivalent of Worldscale 70 and Exxon has fixed an 88,000-tonner for five years' timecharter at the equivalent of Worldscale 60.

London tea sales

At the tea sales held in London last week 35,292 packages sold realised an average price of 64.83p per kilo compared with 64.42p at the previous sale and against 56.82p a year ago. Plain tea was quoted at 49p.

	No. of kilos	Average per kilo
African Highland Prod.	53,053	65p
Assam Co.	27,486	76p
Assam Dooars	17,741	56p
Attaree Khat	11,462	66p
Blantyre	25,617	58p
Borelli	2,969	75p
British Africa	5,214	59p
Central African	22,893	56p
Cholsa	7,773	54p
Cons. Estates	10,986	83p
Dekhari	23,741	75p
Demodera	8,535	54½p
Doom Dooma	17,342	74p
Eastern Assam	34,549	70½p
Haniptha	4,462	62½p
Jhanzie	13,324	71p
Jokai	23,538	71½p
Kenyan	114,116	69p
Moran	15,338	69½p
Nayabedde	22,268	63p
Ouvah	17,735	61p
Pabbojan	70,732	72p
Ruo Estates	10,223	56½p
Scot. Tea and Lands	55,671	61p
Spring Valley	14,427	62½p
Tanganyika	20,370	70p
Telbedde	9,325	67p
Tukvar	23,989	64½p
Upper Assam	30,484	73½p

Stocks at September 12 amounted to 80,662 metric tons compared with 61,815 metric tons a year ago. Converted at 49.983 kilos per package.

INSURANCE BASE RATES

† Atlantic Assurance	11¼%
Cannon Assurance	9 %

† Address shown under Insurance and Property Bond table.

EUROBONDS

D-mark issue for Ciba Geigy

BY MARY CAMPBELL

THE MAIN development this week is a D-mark denominated warrant issue for the Swiss company Ciba Geigy. Announcement of the issue was expected over the week-end or early to-day.

The issue is apparently not subject to sub-committee approval because it is not a straight debt issue. It thus escapes the current ban on issues in the D-mark foreign bond market. It will be the first warrant issue in the D-mark sector since 1973.

The DM50m. issue offers a 6¾ per cent. coupon on a ten year maturity. A warrant entitling the bearer to buy a Sw.Frs.100 "participation certificate" in Ciba Geigy in Basle will be attached to each DM1,000 bond. A participation certificate is a form of equity share. The participation certificates will be purchasable from next year through to 1985 at a price of Sw.Frs.925.

A further development is the reopening of the Euro-French franc market. Announcement of a Frs.50m. issue for Creusot Loire was expected over the week-end. Market sources said that the lead manager would be Banque de l'Union Europeenne, indicated coupon would be 10¼ per cent. and maturity five years.

The prices of outstanding dollar bonds were badly hit last week. The large volume of new issues is held mainly to blame, though the U.S. interest rate increases are also a factor. Towards the end of the week the market was helped by the dollar's sharp rises on the foreign exchange markets.

The one new dollar issue announced last week was $25m. for the U.S. company Santa Fe. Indicated coupon is 9¾ per cent. and maturity five years.

As expected, the size of Copenhagen's unit of account issue was increased from U/A20m. to U/A25m. The issue was priced at 99½ per cent. but allocations were nonetheless said to be small. Next issue in U/A25m. for Oslo.

Morgan Guaranty sells Paris bank stake

PARIS, Sept. 21.

MORGAN STANLEY of the U.S. is to acquire the one-third interest of Morgan et Cie International S.A. presently owned by Morgan et Cie, a subsidiary of Morgan Guaranty Trust Co., according to a joint announcement.

Morgan Stanley already owns two-thirds of the Paris-based Morgan et Cie International. The later will be renamed Morgan Stanley International and will continue to conduct its international investment banking business, functioning as a wholly-owned subsidiary of Morgan Stanley.

Morgan et Cie is a subsidiary of Morgan Guaranty in which Scandinaviska Enskilda Banken and Bank Mees and Hope have been active participants.

The contemplated change in ownership of the Paris-based company is prompted mainly by changes in the nature of its business following the removal of U.S. controls on investment overseas, the announcement said.

Morgan Guaranty's original participation was intended to assist the bank's U.S. customers in raising funds through the issue of securities overseas.

Morgan Guaranty will continue to operate through its branch and its subsidiary in Paris serving both French and multinational clients.

Subject to approval by regulatory authorities, the transaction is expected to be completed by the end of this year.
AP-DJ.

Lehman sees major advance

NEW YORK, Sept. 21.

LEHMAN BROTHERS expects the fiscal year ending September 30 to be the second most profitable in its 125-year history, the investment banking house told employees in a confidential internal letter.

Sources at the firm estimated that pre-tax net might be as high as $26m. The results follow a profitable prior year, for which figures for the privately held concern are not available, and an estimated $6m. loss in the year ended September 30, 1973.

Lehman's performance is a reflection of the securities industry's recent boom, which coincided with the firm's fiscal year.
AP-DJ

Soc. General[illegible] Canadian m[illegible]

PARIS, Sept[illegible]

SOCIETE GENERALE [illegible] has formed a joint financ[illegible] leasing subsidiary in [illegible] with the Banque Cana[illegible] National (BCN).

The new company, [illegible] Ltee, will have a $C5m. [illegible] held 90 per cent. by [illegible] Generale and 10 per ce[illegible] BCN. Canadian law [illegible] Canadian banks to hold [illegible] than 10 per cent. in com[illegible]

Ste. Generale said [illegible] will be a leasing concer[illegible] viding medium- and lon[illegible] financing for the purch[illegible] capital goods. It will [illegible] throughout Canada adv[illegible] sums of between $C40,0[illegible] $C1m., but will not le[illegible] individuals or for pr[illegible] investment.
Reuter.

Indices

NEW YORK

DOW JONES AVERAGES

[illegible]

STANDARD AND POORS U.S. STOCK INDICES

[illegible]

STOCK AND BOND YIELDS

[illegible]

FRIDAY'S ACTIVE STOCKS

[illegible]

IND. DIVIDEND YIELD p.c.

[illegible]

N.Y. SE ALL COMMON INDEX

[illegible]

RISES AND FALLS

[illegible]

AMERICAN SE MARKET VALUE INDEX

[illegible]

TORONTO

INDUSTRIAL INDEX

[illegible]

MONTREAL

INDUSTRIAL INDEX

[illegible]

COMBINED INDEX

[illegible]

JOHANNESBURG

[illegible]

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Sept. 18	Sept. 12	Aug. 28
On Dividends	7.01	7.22	7.60
On Earnings	12.24	12.54	13.43

SYDNEY ALL ORD. INDEX

Sept. 19	Sept. 12	High 1975	Low 1975
385.10	380.55	385.10 (19/9)	283.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Sept. 19	Sept. 12	High 1975	Low 1975
300.25	301.30	333.11 (2/1)	268.24 (10/1)

HONG KONG INDEX *

Sept. 19	Sept. 12	High 1975	Low 1975
310.49	302.99	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

Sept. 19	Sept. 12	High 1975	Low 1975
219.94	219.84	268.69 (11/5)	155.26 (8/1)

EUROPE

	Sept. 19	Previous	1975 High	1975 Low
Belg'm (a)	103.21	102.62	111.61 (15/5)	89.01 (2/1)
Denm'k (b)	95.12	95.17	94.51 (13/9)	73.06 (15/1)
France (d)	65.4	64.7	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	621.2	675.7	726.1 (15/4)	573.5 (2/1)
Holland (f)	88.6	83.0	107.6 (6/5)	85.5 (2/1)
Italy (g)	81.16	81.62	106.86 (21/2)	80.04 (21/2)
Spain (h)	91.85	95.22	110.96 (22/6)	91.25 (19/9)
Sweden (k)	390.56	387.79	442.0 (16/9)	310.56 (8/1)
Switz'rl'd (m)	239.8	238.6	285.1 (6/6)	206.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ϕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. + Adjusted.

AUSTRALIAN WEEKLY LIST

[illegible]

TEL AVIV STOCK EXCHANGE

[illegible]

Source: Bank Leumi Le Israel, Tel Aviv.

HONG KONG

[illegible]

SINGAPORE STOCKS

[illegible]

CORAL INDEX Close 341-346

I.G. INDEX GOLD 135-138

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

AUSTRALIA

[illegible]

CANADIAN WEEKLY LIST

[illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—35¼% (96½%)

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY

[illegible]

MILAN

[illegible]

AMSTERDAM

Sept. 19	Price Fls.	+ or −
Ahold (Fl.20)	91	+2
Akzo (Fl.20)	34.1	+0.5
Algem Bnk (Fl.100)	307.5	−1.5
AMAS NV (Fl.10)	9.5	−0.6
AMEV (Fl.20)	55	−0.1

[illegible]

PARIS

[illegible]

SWITZERLAND

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

STOCKHOLM

[illegible]

BRUSSELS

[illegible]

SPAIN

[illegible]

TOKYO

[illegible]

Source Nikko Securities Tokyo

OSLO

[illegible]

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. [illegible]

هكذا من الأصل

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

BASE LENDING RATES

International	10 %	Industrial Bank of Scot.	10 %
d Irish Banks Ltd.	10 %	Jacobs, Kroll	11½%
o-Portuguese Bank	10½%	Keyser Ullmann	10½%
y Ansbacher	10½%	Knowsley & Co. Ltd.	11½%
o de Bilbao	10 %	Lloyds Bank	10 %
o de Jerez	10½%	London & European	11½%
of Cyprus	‡10 %	London Mercantile	11½%
ue du Rhone S.A.	10½%	Midland Bank	10 %
ays Bank	10 %	■ Samuel Montagu	10 %
ett. Christie Ltd.	11 %	■ Morgan Grenfell	10 %
ar Holdings Ltd.	11 %	National Westminster	10 %
Bank of Mid. East	10 %	Northern Comm. Trust	10½%
o Shipley	10½%	Norwich General Trust	10½%
r. Bowater Co. Ltd.	10½%	Portman Guaranty	11 %
Holdings	10 %	P. S. Refson & Co.	10 %
erhouse Japhet	10½%	Rossminster Accept'cs	10 %
Coates	10½%	Royal Trust of Canada	11 %
olidated Credits	12 %	Schlesinger Limited	10½%
nental Trade Bk.	10 %	E. S. Schwab	11½%
erative Bank	*10 %	Security Trust Co. Ltd.	11½%
ys Bank	11½%	Shenley Trust	11½%
thian Securities	10 %	Standard & Chartered	10 %
t Lyonnais	10 %	Sterling Credit	12 %
Dawes	11 %	Thames Guaranty	11 %
ff Brothers	11½%	Trade Development Bk.	10 %
an Lawrie	10½%	Twentieth Century Bk.	11½%
sh Transcont.	11½%	United Bank of Kuwait	10 %
London Secs.	10 %	Wallace Brothers Bank	10½%
ay Gibbs	10½%	Whiteaway Laidlaw	10½%
Durrant Trust	10 %	Williams and Glyn's	10 %
round Guaranty	10 %	Yorkshire Bank	10 %
lays Bank	10½%		
ness Mahon	10 %		
ros Bank	10 %		
n & Partners	13 %		
Samuel	§10 %		
are & Co.	†10 %		
S. Hodge	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

FINANCIAL TIMES STOCK INDICES

	Sept. 19	Sept. 18	Sept. 17	Sept. 16	Sept. 15	Sept. 12	A year ago
...nt Secs	61.23	61.01	61.13	61.22	61.21	61.03	56.77
...erest	61.03	61.07	60.95	61.01	60.85	60.88	55.19
Ordinary	343.6	334.7	329.0	326.0	321.6	316.5	198.0
...	260.6	270.6	279.9	294.3	294.9	289.5	282.6
... Yld. %	6.06	6.20	6.28	6.34	6.43	6.49	10.11
... Yld. % (full)	16.84	17.17	17.39	17.56	17.80	17.96	26.89
... (net) (b)	8.43	8.37	8.16	8.08	7.97	7.90	5.22
...marked	5,146	5,710	5,686	5,101	4,596	4,125	5,099
...rnover £m	—	79.51	56.05	54.49	34.84	33.55	30.80
...rgains total	—	16,649	13,019	12,755	10,678	9,583	9,066

10 a.m. 334.6. 11 a.m. 333.9. Noon 335.4. 1 p.m. 338.5.
2 p.m. 339.5. 3 p.m. 340.1.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.38.
...s 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold ...9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
...	62.34 (20/5)	49.18 (6/1)	127.4 (9/1/35)	49.18 (6/1/75)
...	62.51 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
...	365.5 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
...es	442.5 (22/5)	260.6 (19/9)	442.5 (22/5/75)	43.5 (28/10/71)

S.E. ACTIVITY

—	Sept. 19	Sept. 18
Daily—		
Gilt-Edged	123.4	142.5
Industrials	177.9	201.4
Speculative	47.2	52.5
Totals	117.2	130.0
5-day Av'rge		
Gilt-Edged	142.1	146.0
Industrials	178.8	169.6
Speculative	47.7	47.7
Totals	119.5	114.8

FT—ACTUARIES INDICES

—	Sept. 19	Sept. 18	Sept. 17	Sept. 16	Sept. 15	Sept. 12	A year ago
... Group	136.71	134.77	132.45	131.85	128.75	128.15	77.24
...	151.22	148.99	145.50	145.76	142.66	141.99	83.32
...l pe	6.01	6.11	6.21	6.24	6.37	6.39	9.99
...(net)	8.55	8.39	8.28	8.21	8.04	8.01	4.88
...	146.94	144.88	142.54	141.65	138.75	138.10	82.05
...ield pe	14.10	14.09	14.09	14.08	14.08	14.08	14.83

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.
World Wide Gth. Fd | $US10.51 | +0.09 | —

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ◆. ¶ Guernsey yield. # Suspended. ★ Single premium insurance bonds.

DAGGAFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT

Half-year ended 30th June 1975

FINANCIAL RESULTS

The following are the unaudited results of the company for the half-year ended 30th June, 1975, together with comparative figures for the half-year ended 30th June, 1974 and the year ended 31st December, 1974.

	Half-year ended 30.6.1975 R	Half-year ended 30.6.1974 R	Year ended 31.12.74 R
Interest received	10 000	15 000	23 000
Other revenue	1 000	5 000	14 000
	11 000	20 000	37 000
Deduct:			
Administration expenses	11 000	10 000	26 000
Long service gratuities	—	15 000	22 000
Share transfer expenses, stock exchange listing fees and sundry expenses	19 000	10 000	27 000
Property expenses	2 000	—	1 000
Contributions towards grassing of slimes dams	44 000	—	—
	76 000	35 000	76 000
NET LOSS	R65 000	R15 000	R39 000

NOTES:

1. TAXATION
No taxation has been provided as the company has a loss for tax purposes.

2. DIVIDENDS
No dividends were declared or paid during the six months under review.

OPERATIONS

As anticipated in the directors' report for 1974, the company's application for permission to peg claims on portions of the farm Daggafontein No. 125 I.R., district Springs, was refused.

Efforts are continuing in an attempt to settle the outstanding affairs of the company so that steps may then be taken to de-register the company. In this connection the company has recently invited offers for the remaining freehold of the farm Daggafontein, portion of which is covered by old slimes dams. To date the response has been discouraging, both as regards the number of offers received and the substance of the offers, which would appear to indicate that the company cannot expect a significant contribution to its cash resources from the disposal of the property.

The company has for some years been making payments for the grassing of its slimes dams. However, more recently certain unforeseen technical difficulties have been encountered in carrying out the necessary anti-pollution measures required pursuant to the settlement of the company's liabilities arising out of atmospheric and water pollution legislation. The additional cost of overcoming these problems cannot yet be determined.

In view of the above and the additional administrative and other expenses which the company is having to incur in endeavouring to finalise the company's affairs, any further distribution to members now appears unlikely.

For and on behalf of the Board
D. B. Hoffe) Directors
W. R. Lawrie)

Administrative and Technical Advisers and Secretaries:
Anglo American Corporation of South Africa Limited,
44, Main Street, Johannesburg 2001
(P.O. Box 61587, Marshalltown 2107)

Transfer Secretaries:
Consolidated Share Registrars Limited,
62, Marshall Street, Johannesburg 2001
(P.O. Box 61051, Marshalltown 2107)

Charter Consolidated Limited,
P.O. Box 102, Charter House, Park Street,
Ashford, Kent, TN24 8EQ

Head Office:
44, Main Street, Johannesburg 2001

London Office:
40, Holborn Viaduct, EC1P 1AJ

Johannesburg
19th September, 1975.

Liberals fail to achieve sense of direction

BY RICHARD EVANS, LOBBY CORRESPONDENT

IN A CONFIDENT speech winding up the Liberal Assembly, Mr. Jeremy Thorpe claimed that the party had now prepared itself for the future and the fight to obtain political power.

He told 1,300 delegates at Scarborough on Saturday that the party was entering a new era in its development and was beginning to adjust its policies to take account of the rapid changes in society.

But despite the leader's brave words, the mood of Scarborough was in sad contrast to the Brighton Assembly a year ago when the Liberals seemed poised for the long dreamed of breakthrough to become a dominant force in British politics.

Mr. Thorpe put a brave face on the electoral setback and did well enough to still criticism of his leadership for the time being. But the Assembly once more highlighted some of the reasons why the Liberals have failed to become a more effective political force.

The divisions exposed between the moderate, overwhelmingly middle class elements and the radical Young Liberals were as fundamental as those facing either of the other two parties. In addition, there was a marked lack of a sense of direction.

In short, nothing was resolved at Scarborough. The party remains at the mercy of elements outside its control, particularly the unknown prospect of electoral reform and the hoped-for breakup of the Labour Party.

The most positive advances to come out of the conference were the promise by Mr. Cyril Smith, the Chief Whip, to weld the Parliamentary Party into a more cohesive force, and his call on Saturday for the party to protest more actively against rising unemployment.

"I urge the party, particularly the Young Liberals, to mobilise the unemployed of this country. I promise that the Parliamentary Party will be at the head of whatever forces they are able to mobilise," Mr. Smith declared.

In one of the most effective speeches of the week, which earned him a standing ovation, Mr. Smith said that it was a "scandal and a disgrace" that a so-called socialist Government should have deliberately set out on a course which had led to 1¼m. unemployed.

Mr. Thorpe, in his second major speech to the conference, said that it was not enough for the party merely to address itself to the emergencies of to-day, however critical they were.

"If we are in politics to change society—and I contend we are—we must be prepared to diagnose its underlying ills, to define an attitude to social change and to put into plain language the aspirations of people who share our ideals."

Rank row 'could have been stopped'

By Stewart Fleming

THE NON-EXECUTIVE directors of the Rank Organisation should have taken action to resolve the dispute between Sir John Davis, the chairman, and Mr. Graham Dowson, the chief executive, who resigned last week, before the company's problems became public. Mr. John Phillips secretary and chief executive of the Institute of Chartered Secretaries and Administrators told the institute's annual conference at the week-end.

Mr. Phillips said that the much publicised transactions of the Rank Organisation illustrated only too well the part which alert and experienced non-executive directors should play in the administration of a company.

How much better it would have been had the non-executive directors of the Rank Organisation foreseen the development of the problem and settled it before it became a matter of public discussion.

The Rank affair was a demonstration of the case for a statutory requirement that certain classes of company should include on the company management Board non-executive directors representative of institutional investors, who were themselves representative of thousands of individuals who had a stake in the efficient management of the company.

Home Office favours public prosecutors

BY ARTHUR SANDLES

THE PUBLIC prosecutor, the independent filter system between police and courts, which is a regular feature of European legal systems but unknown in Britain, except in Scotland, seems to have won support at the Home Office.

Such a scheme is unlikely to win the wholehearted support of the legal profession which is deeply divided about the usefulness of such a change from traditional practice.

The Home Office is clearly enthusiastic about the plan, but there is likely to be resistance from the more conservative elements of the Bar and, perhaps, also the chief constables, who might feel that some of their freedom of action was being eroded.

Keeping watch

Introduction of the change is not an immediate prospect, if only because of the expense involved.

Mr. Alex Lyon, Minister of State, Home Office, told the conference of the Prosecuting Solicitors' Society in York at the week-end that the Home Office and the Law Officers Department were watching the debate over public prosecutors with interest.

"There is much to be said for bringing the existing prosecuting solicitors' departments under the Director of Public Prosecutions as a start to a new service," he said.

"But there are difficulties, not least of resources, which have to be considered."

The arguments in favour of the public prosecutor system were that it meant that police had to convince the official before proceding to court. "I have heard recently that in Denmark the public prosecutor is so successful in weeding out unsatisfactory cases that only about 5 per cent. of the accused plead not guilty."

Mr. Lyon commented on criticism of the present systems under which too many people were aquitted. An evaluation of the criticism had shown that in a considerable proportion of cases in Crown Court the judge stopped the trial before the jury had to consider its decision. Many cases did not even reach pleading.

He was struck by the number of cases where new evidence could have been made available earlier if some independent critical judgment had been applied to witness statements.

He was concerned about the police role in prosecutions. "If the police actively engaged in the decision whether a case ought to be prosecuted, there is a danger that in some cases a dispassionate view of the evidence may not prevail."

A criminal trial was not a game. "There is no reason why all the allegations on both sides should not be thoroughly investigated before the jury has to decide. A more radical move in that direction, however, would be heavily and rightly criticised if the defence evidence was going to be considered only by the police."

Cabinet may buy foreign missiles

By Arthur Sandles

THE CABINET this week will decide finally whether to drop two home-produced guided missile systems and buy foreign weapons. The decision rests on a substantial cash saving at the cost of possible loss of jobs.

The Defence Committee of the Cabinet seems to have accepted that the Franco-German Milan anti-tank missile and the U.S. Harpoon multi-system missile can be bought without too much damage to employment. If the full Cabinet agrees details will be disclosed this week.

The purchsaes may not lead to automatic cancellation of the British Aircraft Corporation Hawkswing anti-tank system or the Hawker Siddeley submarine-based missile.

Defence industry unions have long resigned themselves to the loss of Hawkswing, because Milan is much less expensive.

Decisions to buy off-the-peg foreign missile equipment are part of the manieuvring by Service chiefs and the Defence Ministry to make the best of the heavy cuts in defence expenditure in time for the next White Paper.

Even if the cancellations which now seem likely are made they will leave the missile industry with a sizeable market. The Rapier ground-to-air system is in full production and selling extremely well abroad.

Index-linked certificates boost flow of savings

By Donald Maclean

THE OLDER generation continued to provide the main flow of funds into National Savings in August — when purchases of index-linked Savings Certificates accounted for £30.4m. of the movement's net receipts of £33.6m.

Index-linked Certificates went on sale to men over 65 and women over 60 at the beginning of June, and in their first three-and-a-half months (up to September 13) attracted investment of £156.8m.

Substantial purchases of the Certificates are reported to have been in respect of the maximum individual investment of £500. After an early rush, sales appear to have settled down at about £4½m. a week.

The impact of the index-linked (third issue) Save As You Earn scheme, introduced on July 1, to investors at large, has been substantially slighter than that of the Retirement Certificate—with August, for example bringing investments of £1.2m. At September 12, some 192,000 contracts had been agreed, with an average commitment to save of £14.40 a month — making an overall monthly savings commitment of £2.8m.

NATIONAL SAVINGS

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. ENGLISH NATIONAL OPERA Tonor and Sa 6 30 Don Carlos; Wed and Fri. 7 30 Madam Butterfly; Thurs 7.30 La Traviata.

THEATRES

HER MAJESTY'S 930 6606. Evgs 8.00. Fri and Sat. 6 00 and 8 40 HAIR Last week—Must end Saturday

TALK OF THE TOWN. 01-734 5051 From 8.15. Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION Opening tonight 11 p.m THE PLATTERS

CINEMAS

WARNER. WEST END. Leicester Square. Tel 439 0791. 1: PETERSEN (X). Cont progs. 1.50. 4.00 6.10 8.25. Last 3 days.

CLUBS

ART GALLERIES

COMPANY NOTICES

PERSONAL

هكذا من الأصل

هكذا من الأصل

THE JOBS COLUMN

New head for business school

BY MICHAEL DIXON

THE Jobs Column's return from holiday coincides with the search for a new dean for the INSEAD business school in Fontainebleau, France. The present holder, aptly called Dean Berry, who went to Fontainebleau from the London Business School about five years ago, will give up the job next summer and is not yet decided whether to stay in Europe or return to his native America.

Properly entitled Institut Européen d'Administration des Affaires, the school defines its "mission" as providing "high-quality business education that is international in scope, European in content, and managerial in emphasis." About 70 per cent. of its teaching is devoted to programmes for working managers, and the rest to the students on its one-year course leading to a Master of Business Administration award.

As the senior academic, the new dean will head a faculty of about 55 full-time and 30 part-time professors and lecturers. A major task will be to develop the school's research activities, and another will be to seek out a few more promising senior academics for the staff. So the most important qualification is enough experience and reputation in the academic field not only to hold together but also to lead a multi-national bunch of dons, 85 per cent. of whom are qualified at doctorate level. Another essential is consummate skill in French — INSEAD's political languages — and English — its working language.

Other languages would be an advantage. So would high-level experience somewhere outside the academic field, with Government and the EEC probably counting more than business. "Certainly not much under 40," is Dean Berry's description of the age range.

The fringe benefits include significant help with housing, and the rewards could be index-linked, but the prevailing salary-level is not quoted. My guess would be about $50,000. Applications to the chairman of the "search committee," Professor Kenneth Walker, INSEAD, Boulevard de Constance, 77305—Fontainebleau, France—tel. (from London) 010-331-422-48-27.

BIM post

ONE job that Dean Berry says he will not be getting, by the way, is that of director-general of the British Institute of Management, which is reported to be considering a successor to John Marsh whose intention of retiring has been known for the past three years.

The grapevine has it that the BIM's council meeting will be discussing the matter on October 1 and that the most likely candidate is someone from a business school. Rumour's favourite name for the five-figure job yesterday was Professor Grigor McClelland, the director of Manchester Business School. But a swift telephone call showed that, plainly, he was not among the runners.

It appears that more about the BIM appointment is known in the London Business school, whose principal is Professor Jim Ball, and whose deputy principal is Professor Peter Moore.

*

"WE'RE all salesmen here," says Edward Addison, "and, to be honest, accounting isn't really one of our skills."

So he is looking for someone capable of developing the accounts side of his 50-employee company, Addison Tool, in London so that the four-man Board has a considerably more detailed knowledge of its financial situation than that it has a profit of around £130,000 on a turnover of roughly £1.5m. from the importing and exporting of machine tools.

"We want someone who'll be able to tell us what we can afford, as it were," Mr. Addison adds, "to give us proper budgetary control, and even our own mini-computer system, if that's what we need."

Provided that candidates have the sort of successful experience enabling them to develop an effective accounting operation in a trading concern of Addison Tool's size and type, they need not be professionally qualified. Nor is age a critical matter.

Salary would be around £8,000, and there would be a directorship and possibly equity stake for somebody who made the grade. Applications to Mr. Addison at the Heron Trading Estate, Westfields Road, London W.3.—tel. 01-993-1661.

Recruitment

FINALLY, one in the recruitment trade itself. The Lloyd Executive group is looking for a senior consultant capable of justifying five-figure earnings. The job—Norman Philpot, the managing director of Lloyd Executive Selection, tells me happily—arises because of expansion and will be concerned generally with the selection and recruitment of top-level people. Previous success in the same area with a consultancy is essential. Applications to Mr. Philpot at Brownlow House, 50-51 High Holdborn, London WC1V 6ER—tel. 01 405-3499.

APPOINTMENTS

Ford names marketing director

Mr. Neil O'Sullivan, previously manager, car sales operations, has been appointed director of marketing at FORD OF BRITAIN. This is the first appointment within the company of a director exclusively responsible for marketing affairs, and Ford sales operations now comprise four separate categories.

*

BANK XEROX has announced the following changes within its Manufacturing Group senior management, based at Mitcheldean, Gloucestershire. Mr. Dick Holmes, formerly chairman of Gould (Europe) and controller of Ford Europe and Ford of Britain, becomes director of manufacturing planning, information and control. Mr. Ron Morfee, manager, Mitcheldean plant, becomes director of materials management. Mr. Don Shryane, director, manufacturing planning, becomes director of manufacturing programmes, and Mr. Jim Evans moves from manufacturing programmes to manage special projects. Mr. Lionel Lyes, as director of personnel, has public relations and all aspects of security added to his responsibilities. Mr. Roger Haggett, as director of U.K. manufacturing operations, assumes the day-to-day running of the plants at Mitcheldean and Welwyn Garden City.

*

DUPORT has announced the following appointments to the Boards of subsidiaries: Burman and Sons: Mr. D. K. Tafft, marketing and sales director; Mr. E. P. Sharman, production director; Mr. J. C. Haden, purchasing and supplies director. Slumberland: Mr. R. E. Gee, sales director. Duport Computer Services: Mr. D. J. Auty, director and technical manager; Mr. F. Jones, director and operations manager.

*

SHULTON (GREAT BRITAIN) has announced the following changes to their Board: Mr. Geoffrey S. Sladden has been appointed chairman. Other directors are: Mr. William H. Lash (U.S.), Mr. J. E. Fitzmaurice (U.S), Mrs. Ellen C. Roth (U.S.), and Mr. Iain A. Forsythe (managing). Mr. Frank Edwards, deputy managing director, having reached the age of 65, will officially retire from the company at the end of the year. With this in view, its management has now been restructured as follows: Mr. Iain A. Forsythe, managing director; Mr. Bernard H. Crist, financial controller and secretary; Mr. Quentin MacDougall, director of marketing and sales; Mr. Ian R. McLach'an, director of production. Mr. Oliver G. C. Reid, director of distributors and licensees.

*

Mr. A. G. Pendleton has been appointed a divisional director responsible for the mechanical and process engineering division of WGI. He continues as a non-executive director of West's Pyro, of which company Dr. I. E. Kimberley succeeds him as managing director.

*

Mr. J. Derek Waites has been appointed to the Board of S & A Geophysical. Mr. Waites has also been named director of operations.

*

Mr. Stuart Young—a partner of Hacker Young, chartered accountants, has been co-opted on to the Board of BANK LEUMI. Mr. Young is a director of a number of companies, including Waring and Gillow (Holdings) and British Caledonian Airways.

*

Mr. Brian W. Olver, deputy managing director of THE TORRINGTON COMPANY, retires on September 30 after 41 years with the company; he was appointed to the Board in 1953.

*

Mr. K. M. Reader, who has been general manager of export sales, becomes export sales director of ACCESS EQUIPMENT, of Hemel Hempstead, Herts. Also appointed to the Board is Mr. J. W. Barnham, a member of the Institute of Value Engineers.

Selection Trust board

Mr. A. M. Macleod-Smith has been appointed a director of SELECTION TRUST.

*

Mr. G. V. Moore has been appointed production director, GOODYEAR-GERMANY. He has been production director for Goodyear-Great Britain, at Wolverhampton, for two years.

*

Mr. Quentin I. Smith, Jr., president and chief executive officer of Towers Perrin Forster and Crosby, Inc., has been elected to the Board of J. WALTER THOMPSON COMPANY in New York.

*

Mr. T. C. R. Jourdan and Mr. L. J. Packer have been appointed to the Board of PARKER KNOLL. Both are directors of group subsidiaries.

*

Mr. C. K. Roche has been appointed financial director and company secretary of WATFORD ENGINEERING. Previously he was a group accountant with Shell International.

*

Mr. M. J. Haspel has been appointed chief executive of the northern divisions of STAVELEY MACHINE TOOLS. He will continue as managing director of its Asquith division and be responsible for the overall manufacturing policies of the Asquith and Kearns-Richards divisions. Mr. W. B. Ellis, formerly works director of the Kearns-Richards division of Staveley Machine Tools, has been appointed managing director of that division.

*

Mr. Leonard Williams, chief general manager of NATIONWIDE BUILDING SOCIETY, has been appointed a director.

*

Mr. W. T. Lee, managing director of MacDermid Overseas S.A., the chemical process company, has been appointed vice-president of MACDERMID INC., the company's parent.

*

Mr. William E. Cotter, Jr., has been appointed vice-president-commercial of UNITED STATES STEEL INTERNATIONAL INC., which serves as U.S. Steel's sales and marketing arm outside the U.S.

*

Mr. H. H. Broadbent, appointed managing director of TRIND on the retirement of Mr. N. B. Hope, states that though he is chairman of each of the Trind subsidiaries—Triangle Valve, Triangle Controls, H. Broadbent and Son, Dewraswitch, Dewramet and Henry Livesey—the managing and executive directors in these companies have remained unchanged.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Menswear Assn. of Britain Exhibition (cl. Sept. 24)	Harrogate Exbn. Centre
To-day	International Ship Supplies Assocn. (cl. Sept. 24)	World Trade Centre, E.1
Sept. 23—25	Electronic Instrument Exhibition	Bloomsbury Centre Hotel
Sept. 23—25	London International Footwear Fair	Earls Court
Sept. 23—26	Water Pollution Control Exhibition	Bournemouth
Sept. 24—Oct. 18	Midlands Ideal Home Exhibition	Bingley Hall, Birmingham
Sept. 29—Oct. 2	Southern Floorcoverings Exhibition	Metropole, Brighton
Sept. 29—Oct. 3	Below the Line—SPEC '75 Exbn.	Olympia
Sept. 30—Oct. 2	Electronic Instruments Exhibition	Esso Motor Hotel, Bristol
Oct. 1	Meat Trade Exhibition	Racecourse, Doncaster
Oct. 1—3	British Computer Society Datafair	Cunard Intnl. Htl., W.6
Oct. 1—8	Business Efficiency Exhibition	Olympia
Oct. 1—18	Modern Homes Exhibition	Kelvin Hall, Glasgow
Oct. 6—9	London Pram Fair	Russell and Bloomsbury Ctr.
Oct. 7—9	National Housing and Town Planning Exon.	Exbn. Centre, Harrogate
Oct. 7—10	Italian Handbags and leather goods	Italian Trade Centre, London
Oct. 13—16	Children's and Teenage Fashion Fair	Hortic. Halls, S.W.
Oct. 14—16	International Electronic and Prod. Equip. Exbn.	Metropole, Brighton
Oct. 15—25	International Motor Show	Earls Court
Oct. 20—25	Kensington Antiques Fair	Town Hall
Oct. 20—26	International Audio Festival and Fair	Olympia
Oct. 21—23	Highland Trade Fair	Aviemore Centre
Oct. 21—26	International Bakers' and Confectioners' Exbn.	Olympia
Oct. 22—24	Equipment for Schools Exhibition	New Hortic. Halls, S.W.
Oct. 22—25	London Fashion Fair International	Biba Store, W.8

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	National Fair—Comptoir Suisse (cl. Sept. 28)	Lausanne
Current	Pan-African Textile Exhibition (cl. Sept. 23)	Abidjan, Ivory Coast
Current	*Data Proc. and Communications (cl. Sept. 26)*	Paris
Sept. 25—29	Overseas Import Fair	Berlin
Sept. 26—Oct. 5	International Hi-Fi Exhibition	Stockholm
Oct. 2—8	World Telecommunication Exhibition	Geneva
Oct. 2—12	International Caravan and Allied Trades Exbn.	Paris
Oct. 2—12	International Motor, Motor Cycle and Cycle Show	Paris
Oct. 5—9	International Fashion Week	Munich
Oct. 5—10	Israel Metal Week	Tel Aviv
Oct. 7—14	International Plastics and Rubber Trade	Dusseldorf
Oct. 12—21	International Technical Exhibition	Bucharest
Oct. 18—24	Engineering Exhibition and Seminar	Bahrain
Oct. 20—24	Machine Tool and Production Eng. Exhibition	Johannesburg
Oct. 20—30	International Building Materials and Equip. Exbn.	Cairo
Oct. 21—24	Electronic Components and Instruments Exbn.	Helsinki

BUSINESS AND MANAGEMENT CONFERENCES

Current	Harry Mitchell and Prts.: Work Study (cl. Sept. 26)	Beeston, Notts.
Current	W. D. Scott and Co.: Clerical Work (cl. Sept. 26)	Moor Hall, Cookham, Berks.
Current	Ashridge Man. Coll.: Management Dev. (cl. Oct 3)	Berkhamsted, Herts.
Current	Manufacturing Policy for Sen. Man. (cl. Oct. 3)	Bradford University
To-day	IPM: Manpower Planning in Practice (cl. Sept. 24)	Park Court Hotel, W.
To-day	ORC (U.K.) Expatriate Pay Policies (cl. Sept. 24)	Chicago
Sept. 23	Smaller Company Profitable Exporting	World Trade Institute, E.
Sept. 23	NFBTE Building Advisory Service (BAS)	Cavendish Cfce. Ctr., W.1
Sept. 23—24	CAM Foundation: Advertising Buying Power	May Fair Hotel, W.
Sept. 23—24	Assocn. Cert. Acctnts: Corporate Planning	Clifton Ford Hotel, W.
Sept. 23—26	IAA: Multinationals in Confrontation	Geneva
Sept. 24	Arab Mkt. Res.: Selling to Arabian Peninsula	Birmingham Ch. Com.
Sept. 24	PRCA: Corporate Social Responsibility	London Hilton, W.1
Sept. 24—27	*Harry Schultz: Gold and Monetary Confce.*	*Geneva*
Sept. 25	London Chamber of Commerce: Export Finance	Cafe Royal, W.1
Sept. 28—Oct. 1	Stanford Res. Inst.: Decision Analysis	Lake Como, Italy
Sept. 29—Oct. 1	Tack Org.: Finance for Non-Accountants	London, S.W.1
Sept. 30	Inst. of Work Study: Road Transport	Cafe Royal, W.1
Sept. 30—Oct. 2	CAD: Computer-aided drafting	Kensington Close Hotel, S.W.
Sept. 30—Oct. 3	Gastech LNG/LPG Congress and Exhibition	Paris
Oct. 2—4	London Chart. Acctnts: Capital Transfer Tax	Grand Hotel Eastbourne
Oct. 5—10	Coverdale Organisation: Middle Managers	Darlington
Oct. 5—10	C. and C.A.: Use of Concrete in Schools	Training Centre, Fulmer
Oct. 6—10	ICMA: Production Techy. for Mgmt. Acctnts.	Birmingham University
Oct. 8	New Law Journal: Development Land	Cafe Royal, W.1
Oct. 8—9	Financial Times, Norwegian Journal of Commerce and Shipping and the Oil Daily: Financing North Sea Supply Industries	Royal Lancaster Hotel, W.2
Oct. 10	Urwick: Conditions of Contract on Site	Mgmt. Centre, Slough
Oct. 13—17	P-E Cons. Group Sales Management	Esham, Surrey
Oct. 15	Guardian Business Services: Conciliation	Park Court Hotel, W.2.
Oct. 15—17	Financial Times, Bourse de Beyrouth, Middle East Airlines and British Airways: Developing the Arab World	Beirut
Oct. 16	Henley Centre: Cost and Price Inflation to 1980	Carlton Tower, S.W.1
Oct. 21—23	Financial Times: Asian Business in 1976	Hong Kong

BANKING AND INSURANCE APPOINTMENTS

£7800+

Insurance Officer

This is a key appointment with Roan Consolidated Mines Limited, one of the world's major copper producers. Its scope is wide-ranging: it has responsibility for determining the risks against which the organisation should be insured and for negotiating the appropriate cover at the most economic cost. Reporting to the Head of Treasury, he will maintain close contact with Mine/Refinery Secretaries; with loss adjusters; with third party claimants and with insurance companies. The total sum insured at corporate level is over £120m. In addition, it also involves acting as a registered agent for the Zambia State Insurance Corporation.

Candidates, with ACII, must have had at least ten years' relevant experience with a major composite insurance company or leading broker. They must be skilled in risk management; negotiation of premiums and claim settlements and must have a sound knowledge of corporate insurance needs.

Employment will be on a contract basis. Starting salary will depend on qualifications and experience but gross annual earnings including gratuities will be at least £7800 — at current rates of exchange.

Additional benefits include ■ paid leave which accrues at the rate of 42 days per annum ■ paid return passages every two years ■ tax free settling-in allowance ■ baggage allowance ■ furnished accommodation at low rental ■ tax free children's education and travel allowances ■ free life assurance ■ interest-free loan towards purchase of car.

Please write for an application form and information booklet, quoting reference B.152, to:

The Manager
Overseas Appointments,
AMAX International Limited,
One Noble Street,
London EC2V 7DA.

RCM
IN ZAMBIA

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The personnel consultancy dealing exclusively with the banking profession

BRANCH MANAGER — £4,000/£5,000

Our client, a subsidiary of a consortium bank, seek a Branch Manager for their Bristol Office. Applicants should be aged between 27 and 35 years of age and have had at least five years' previous experience in Hire Purchase, Leasing and Instalment Credit. Good opportunities and fringe benefits are offered to the successful candidate. In the first instance please write enclosing c.v. in strict confidence to Leslie M. Squires.

Send for our register of current banking vacancies at salaries ranging up to £10,000 +

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Telephone 01-623 5051

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Required for the London office of an International Bank

Applications are invited for the above post from suitably qualified men preferably aged 40-50 who are experienced in all aspects of banking and have previously held a post of similar responsibility.

Please write in confidence giving details of experience and salary expected to:—

The Chairman,
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Leconfield House,
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Senior Foreign Exchange Dealer
United States

OUR CLIENT is a major International Bank (ranked among the top 50 U.S. Banks) located in the Midwest who wishes to appoint an Officer whose duties will include day-to-day management, under the supervision of the Vice President in charge of the Division, of a successful and growing 6 person trading group.

Ideal candidate will be 28-40 years of age with extensive experience in Foreign Exchange trading. Salary commensurate with ability and past experience. Relocation expenses and appropriate financing for housing will be included.

Please send relevant details in complete confidence to Paul Stafford Associates Ltd., Management Counsel in Executive Selection, Box ..., Financial Times.

LEGAL NOTICES

No. 003845 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LONDON AND MEDITERRANEAN PRODUCTIONS (PROPERTIES) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 18th day of September 1975, presented to the said Court by HIRE SERVICE SHOPS LIMITED, whose registered office is at Warenne House, 31, London Road, Reigate, Surrey, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 27th day of October 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

UNDERWOOD & CO.,
40, Welbeck Street,
London W1M 8LN
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 24th day of October 1975.

BOND DRAWING

CHILEAN EXTERNAL LONG TERM DEBT—LAW NO. 8962

CHILEAN 4½% LOAN 1893

NOTICE IS HEREBY GIVEN that a Drawing of Bonds of the above loan took place on 9th September, 1975 attended by Mr. Alan Walmsley, of the firm of John Venn & Sons, Notary Public, when the following bonds were drawn for redemption at par on 1st October 1975, from which date all interest thereon will cease:—

3 BONDS OF £1,000 NOMINAL CAPITAL EACH
Numbers:
123 336 632

3 BONDS OF £500 NOMINAL CAPITAL EACH
Numbers:
817 1288 1554

32 BONDS OF £100 NOMINAL CAPITAL EACH
Numbers:
1874 2042 2173 2513 2631 2635 2871
3076 3095 3100 3194 3211 3234 3250
3643 3839 3850 3927 4263 4468 4543
4705 5133 5134 5263 5553 5691 5743
5801 6120 6174 7573

38 Bonds amounting to £7,700 nominal capital.

Witness: Alan Walmsley, Notary Public.

Each of the above bonds when presented at the office of N. M. Rothschild & Sons Limited for redemption must bear the coupon dated 1st April 1976, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

The usual interval of four clear days will be required for examination.

New Court, St. Swithin's Lane, London EC4P 4DU.

22nd September, 1975

PERSONAL

THINK! HOW a tea-lady service would improve productivity and contentment in your office. Sandwiches, rolls and biscuits too, if you like. Call City Coffee Service 01-821 9949 for details.

COMPANY NOTICES

B.A.T. International Finance Limited

100,000,000 French Francs 7¼% Guaranteed Bonds 1987

On the request of the Trustee, we hereby give notice that the nominal amount of FF 3,000,000 has been purchased on the market for redemption due November 15, 1975.

The Principal Paying Agent:
KREDIETBANK
S.A. Luxembourgeoise

Luxembourg, September 22, 1975

117 GROUP FUND
Société Anonyme

Registered Office: LUXEMBOURG, 14, rue Aldringen.
Registre de Commerce n° 9316.

DIVIDEND ANNOUNCEMENT

The 117 GROUP FUND S.A. will pay a 10 cents U.S. interim dividend per share on or after September 19th, 1975, to holders on record on September 17th, 1975. The shares will be traded ex-dividend after September 17th, 1975.

The dividend is payable to holders of bearer shares against presentation of coupon number 21 at:—
Banque Générale du Luxembourg, S.A. Luxembourg.
Barclays Bank Limited, Stock Exchange Securities Department, 54, Lombard Street, London, E.C.3.

The Board of Directors.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the above Company will be closed from the 13th October 1975 to 27th October 1975 (both dates inclusive).

BY ORDER of the Board of Directors.
E. F. HATCHETT
F. E. MOODY
Joint Secretaries

142 Holborn Bars,
London EC1N 2NH.
18th September 1975

TORAY INDUSTRIES INC.
(formerly Toyo Rayon Co. Ltd.)

United Kingdom shareholders are notified that copies of the Annual Report for the year ended 31st March 1975 are available from:—
S. G. WARBURG & CO. LTD.,
Coupon Department,
St. Albans House,
Goldsmith Street,
London, EC2P 2DL.
22nd September, 1975.

PUBLIC NOTICES

THE METROPOLITAN BOROUGH OF SANDWELL BILLS

£1,250,000 bills issued September 17 1975, maturing December 17 1975 at 11.0625%. Applications totalled £11 million and there are £3 million bills outstanding.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 57⅝% (based on $2.0985 per £)

CANADIANS

S.E. List Premium 57⅝% (based on $2.1314 per £)

Conversion factor 0.6344 (0.6333)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, Etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Aug. Feb.	Durban Deep R1	500	30.6	‡Q110c	ϕ	‡
Aug. Feb.	E. Rand Prp. R1	630	30.6	‡Q125c	ϕ	‡
—	Rand Leases 5c	35	6'55	—	—	—
— —	Randf'tn Est. R2	£20	16.6	—	—	—
Aug. Feb.	West Rand R1	190	16.6	‡Q40c	1.3	‡

EASTERN RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
May Nov.	Bracken R1	215	7.4	Q52c	ϕ	15.8
February	Daggafontein 50c	10	172	—	—	—
Aug. Feb.	East Dag R1	38	24.12	‡Q25c	ϕ	‡
Aug. Feb.	G'vnt. Areas 5c	140ϕ	671	—	—	—
Aug. Feb.	Grootvlei 30c	146	30.6	‡Q32c	1.1	‡
May Nov.	Kinross R1	530	7.4	Q54c	ϕ	6.5
May Nov.	Leslie 80c	90	7.4	Q18c	ϕ	12.5
Aug. Feb.	Marievale 30c	195	30.6	‡Q84c	1.1	‡
Aug. Feb.	S. African Ld. 35c	215	30.6	‡Q65c	1.2	‡
Aug. Feb.	Vlakfontein R1	105	30.6	Q35c	1.3	21.5
May Nov.	Winkelhaak R1	820	31.9	Q108	ϕ	8.4
Sept.	Wit. Nigel 25c	38	30.7	Q1c	10.9	1.6

FAR WEST RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Feb. Aug.	Blyvoor 25	680	30.6	Q100c	ϕ	9.2
Feb. Aug.	Buffels R1	£14	16.6	Q130c	ϕ	8.1
—	Deelkraal R0.20	230	—	—	—	—
Feb. Aug.	Doornfontein R1	630	30.6	Q110c	1.4	10.9
Aug. Feb.	East Drie R1	820	30.6	Q65c	ϕ	5.0
Feb. Aug.	Elsburg R1	250	30.6	Q45½c	—	11.4
Feb. Aug.	Hartebeest R1	£36½	30.6	Q215c	ϕ	8.2
Feb. Aug.	Kloof Gold R1	770	30.6	Q55c	1.4	4.5
Feb. Aug.	Libanon R1	675	30.6	Q110c	1.5	10.2
— —	Southvaal 50c	720	24.12	Q9c	0.9	0.8
Aug. Feb.	Stilfontein 50c	250	16.6	‡Q65c	1.3	‡
Aug. Feb.	Vaal Reefs 50c	£20¼	30.6	‡Q220c	1.7	‡

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept. Mar.	Idris 10p	50	28.7	r3p	2.2	20.6
— —	Jantar 12½p	9½	4'67	—	—	—
Dec. Apr.	Kamunting 15p	56	10.2	†6.0	0.8	16.5
July Dec.	Killinghall	150	7.4	48	—	12.3
Apr. Dec.	London Tin 20p	158	24.2	7.0	1.3	6.8
Jan. June	Malay Dredging	174	5.5	g43.9	1.6	9.7
June Dec.	‡Pahang	44	21.4	Q3.12	ϕ	7.5
July Jan.	Pengkalen 10p	46	21.4	7.0	1.8	23.4
March	Petaling $M1	102	271	—	—	—
Jan. July	Saint Piran	19	11.6	0.63	3.5	5.1
Apr. Nov.	South Kinta (10p)	118	27.1	9.5	ϕ	13.1
June Dec.	Sthn. Malayan	135	5.5	g43.9	1.4	12.5
July Dec.	Sungei Besi 20p	49	2.6	30	3.0	12.2
Mar. Oct.	Sungei Way $M1	30	2.9	ZQ10	—	5.8
Sept. July	Tanjong 15p	54	28.7	4.35	2.3	12.4
Jy Mar Sep	Tongkah Hb $M1	54	31.1	‡Q30	1.3	‡
Apr. Oct.	Tronoh	65xd	8.9	†4.02	3.5	9.5

COPPER

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—	Botswana RST R2	56	—	—	—	—
June Dec.	Messina R0.50	295	2.6	‡Q60c	2.9	‡

MISCELLANEOUS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—	Burma Mine 17½p	8	19.5	m0.5	—	1.7
—	Charterhall 5p	44	3'67	—	—	—
—	Colby Mines $1	65	—	—	—	—
Aug. Feb.	Cons. Murch. 10c	630	30.6	‡Q130c	2.2	‡
— —	Lamasia	53	—	—	—	—
July	Northgate C$1	250	30.9	Q65c	1.0	11.2
Jan. June	R.T.Z.	159	21.4	g5.51	4.4	5.4
—	Sabina Inds. C$1	70	—	—	—	—
—	Stanford Mines £1	53	—	—	—	—
—	Tara Explo. $1	£10⅛	—	—	—	—
— —	Yukon Cons C$1	64	11'65	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † *Interim since increased or resumed.*
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ≠ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ⊕ Same interim: reduced final and/or reduced earnings indicated.
- ¶ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ψ Excluding a final dividend declaration.
- ✝ Regional price.
- H No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. *P/E ratio based on latest annual earnings.* u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES

Monday September 22 1975

EEC draft budget faces big cuts

BY REGINALD DALE, COMMON MARKET CORRESPONDENT BRUSSELS, Sept. 21.

EEC MINISTERS face tough negotiations over next year's Community Budget at to-morrow's Council meeting here. There can be little doubt that Brussels Commission proposals for a budget totalling just over 8bn. units of account (£3.4bn.) will be fairly sharply pruned before Ministers agree to pass the draft on to the European Parliament.

None of the nine Governments is in a mood to see big increases in spending in the present economic climate, and West Germany is expected to take a particularly strong line to-morrow. In addition to cutting back the budget itself, Bonn is also expected to call for changes in the way the unit of account is calculated so as to reduce the German contribution in terms of Deutschmarks.

Belgium and the Netherlands are likely to support the German proposal, which would also reduce their own contributions, but the move will be strongly opposed by the U.K., Italy and the Irish Republic, all of whom would have to pay more. Britain has made it clear that it will veto the proposal if the other countries continue to press it.

The German plan is that national currencies should be converted into units of account at current market rates rather than at the outdated official IMF rates still used in EEC budgetary calculations. This would mean that countries whose currencies have floated upwards would need to pay in less, while those with weaker currencies, like the U.K., would have to contribute more.

Britain, which is due to contribute 16.3 per cent. of the budget next year, is hoping to resist the German suggestion at least until 1978, when it would no longer matter so much. After 1977, officials argue, budget contributions will in any case be made in national currencies, and no longer in units of account.

West Germany is also angry over Commission claims that its draft 1976 budget only represents an increase of 17 per cent. over expenditure in 1975. If like is compared with like, the Germans argue, the true figure is more like 30 per cent.

Meanwhile, in separate talks here, Finance Ministers will again be discussing whether to admit the Swiss Franc to the West European "snake" system of jointly floating currencies. But although the EEC Commission were last week hopeful that the Swiss franc would soon join the system, it was still far from certain whether France is yet ready to give its assent.

All the EEC currencies except the pound and the Italian lira are now full members of the "snake," while non-members Sweden, Norway and Austria are associated with the system.

The Ministers are also due to discuss plans for raising Community-backed loans under the Euratom Treaty to finance investment in nuclear power stations. But although the proposal has been under discussion for many months, final agreement has still not been reached.

'No decision yet on missile deal with Israel'

BY ADRIAN DICKS WASHINGTON, Sept. 21.

DR. JAMES SCHLESINGER, the U.S. Secretary of Defence, to-day sought to play down reports of a serious rift with his Cabinet colleague, Dr. Henry Kissinger, over Israel's request for the Pershing missile, but also insisted that no decision had been taken yet on whether the request would be granted.

In a television interview this morning, the Defence Secretary stood firmly by earlier statements by Pentagon officials that Pershings could not be supplied to the Israelis out of current U.S. stocks. He also pointed out that to re-open production lines of the weapon in order to meet an Israeli request would take several years.

The Pershing has become an object of intense controversy here in the past week, since it was revealed that Dr. Kissinger had promised in a secret addendum to the Sinai peace agreement to consider favourably any Israeli request for the weapon. Many strategists here have made the point that the Pershing—a surface - to - surface missile designed for U.S. tactical nuclear forces in Europe—would make little sense as a part of the Israeli arsenal if it were armed only with conventional explosive warheads, as both Dr. Kissinger and Mr. Shimon Peres, Israeli Defence Minister, insisted it would be.

Nuclear warheads

Dr. Schlesinger admitted that the U.S. would have to depend on Israel's good faith in not equipping the Pershing, once in its possession, with the nuclear warheads which it is widely thought capable of producing.

The Defence Secretary's remarks to-day followed an extraordinary outburst yesterday morning by Dr. Kissinger at the end of his final meeting with Mr. Peres to discuss Israel's lengthy military "shopping list."

Dr. Kissinger reacted sharply to statements by lower-ranking defence officials to the effect that the Pentagon had not been informed before completion of the Sinai deal that the Pershing was among the items the U.S. would consider making available to Israel once the settlement was agreed.

The Secretary of State declared that the missile—together with other advanced weapons such as the F-16 fighter—had been first requested in August last year, and that the total "shopping list" had been thoroughly reviewed by all U.S. Government departments since then.

However, Dr. Kissinger did not specifically settle the point which appears to have done most to revive traditional rivalries here—the charge that the Pentagon was not asked for its views about the Pershing before the secret memorandum was signed given to the Israelis.

Sinai observers

Dr. Schlesinger called the incident a "tempest in the teapot." But it touches on several themes of the greatest concern here as Congress sets about serious consideration of the Administration's request for authority to send American observers to the Sinai, which it is expected to grant within the next few weeks.

The nuclear potential of the Pershing apart, there is a good deal of doubt here about the wisdom of building into the latest peace move so heavy an escalation in Israel's military power as the Administration contemplates. Dr. Kissinger indicated yesterday, for example, that the items held up for the past year during the Administration's review of Middle East policy are now likely to be supplied

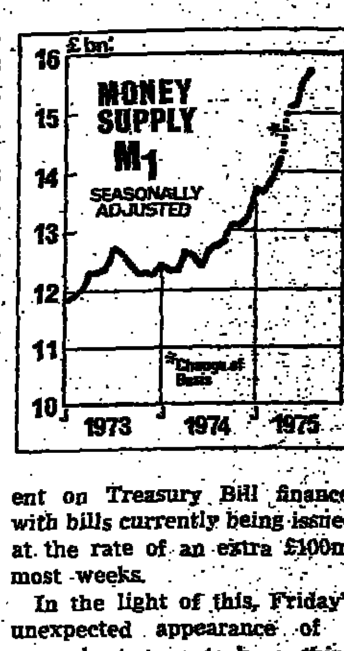
THE LEX COLUMN

Laird rides the steel cycle

Steel accounted for four-fifths of the Laird Group's profits in 1974, and was still producing good returns through the first quarter of 1975. Then orders disappeared, and profits followed suit as production slipped away to about 50 per cent. of capacity. The result is a fall from £4.3m. to £3.5m. in interim profits, and the forecast of a similar figure in the current six months underlines the deepening recession. Laird produced £5m. in the second half of 1974—after £1.3m. of special provisions.

However, the forecast allows room for further declines in the steel business. Ship repairing has moved back into profits after being hit by four months of labour problems earlier in the year, while a turnround in Germany—where demand for motor components suddenly re-emerged this spring—could be worth £½m. or more over the rest of the year. And Scottish Aviation's workload will see it through this year, at any rate.

So the increased dividend will be covered at least 3.7 times, and with net cash flow running at perhaps £8m. Laird will have come through its major capital spending programme without dipping into the bank. Nationalisation may turn about a quarter of its assets into cash, the equivalent next year, and at that stage speculation about the best way to exploit a strikingly undergeared balance sheet would be at least as interesting as the short term pressures on profits. Yielding 9¼ per cent. at 41p, the market capitalisation of £16¾m. has more to offer than most in the sector.



Money supply

With bank lending to the private sector continuing in the doldrums the latest money supply figures do little more than creep ahead, since the unusually large rise in the broader-based M3 aggregate is said to be to some extent erratic. However, the period covered—five weeks to August 20—included the phase of massive long gilt sales, only partly offset by the redemption of Savings 3 per cent. In more recent weeks gilt sales have been on a much smaller scale, and the Government has been heavily dependent on Treasury Bill finance, with bills currently being issued at the rate of an extra £100m. most weeks.

In the light of this, Friday's unexpected appearance of a new short tap stock—a third tranche of Treasury 9 per cent. 1978—must amount to an attempt to mop up some of the banks' spare liquidity. The latest banking figures show that holdings of gilts rose very little in the month to mid-August, and indeed the over-one year category actually shrank by £130m. as Treasury 6 per cent. 1976 came within a year of maturity. Certainly the banks have not been keen buyers of the existing short tap Treasury 9¼ per cent. 1980, which is too long for their liking; in tailoring the new stock more in line with their requirements, the Bank of England may be making an offer which they cannot refuse.

Rank Organisation

Before the Rank saga quietens down temporarily it is worth examining how a new management might try to tackle the problems. The most revealing statistic is that the Rank Xerox stake, if valued according to the share price of its subsidiary A. Kershaw—the "clean" way into Rank Xerox—accounts for more than the whole market capitalisation of the Rank Organisation, some £275m. against £260m. Years of acquisitive policies, therefore, have produced absolutely no benefits to shareholders: indeed, they have produced a cash flow problem such as led to the £28m. offer for the spring. The diversi[…] have left Rank with […] of debt but negligible pr[…]

The property interes[…] grouped as Rank City would have to be the target area for any new m[…]ment attack. The last report's projection of [a] return of just over 10 p[…] on a completed portf[…] £160m. was far from imp[…] given the heavy relia[nce on] bank credit to finance i[…] although Rank cut b[…] spending plans last y[…] seems to have been affe[cted by] escalating building and [borrow]ing costs, for by April th[e] authorised capital s[…] was higher than ever—[…] £60m. compared with […] net cash flow, excludin[g earn]ings retained by Rank [Xerox,] of only around £6m.

The offer for sale has [given] Rank something like six [months'] grace on this score. Ma[ny of] its trading activities [are] substantial lossmakers [which] call for urgent appraisal. […] for instance, lost near[ly …] last year even before […] charges. The TV and h[…] has also been strugglin[g and] has been the subject of [persistent] rumours about disposal.

There is no instant [solution] to Rank's problems of [the] low profitability in it[s non-] Xerox operations. But a[…] taking that further dil[ution of] the Rank Xerox conten[t …] be avoided could have a[n imme]diate impact upon th[e share] price.

Gold shares

The gold share mar[ket was] expecting a Rand dev[aluation] over the week-end, but [not on] this scale. The news has [big] implications for the […] mines (of which a good […] would be losing money a[t …] bullion levels) since th[e …] value of their current d[…] is largely irrelevant. B[ut it is] hard to reconcile the […] with any hope that the […] the gold price has […] strictly temporary pheno[menon.] And the only thing that matters for gold sha[res is] whether the low point […] reached after the Herst[att col]lapse is again going to […] a floor this time.

Minimum retail petrol price sought by garage owners

BY DENIS FOSTER

ALLEGATIONS OF unfair manipulation of the petrol retailing market and a call for a minimum retail price for petrol are to come this week from the Petroleum Retailers Association.

As the price war in Britain's garage forecourts reaches new levels of intensity, the PRA—which represents around 2,000 independent retailers—is to place a case before the Government that the petrol market is being "engineered" by major oil companies who are providing selective subsidies to certain outlets at the expense of others.

The Association will argue that price-cutting is against the long-term interests of the public since it will lead to a tighter grip by major oil companies on a contracted retailing network. It will also argue that it is against the Government's own declared policy of rationing petrol sales by price—which it implemented last year by the imposition of a 25 per cent. rate of VAT and by "persuading" oil companies to load increases on to petrol.

The report is sure to cause controversy with the major oil companies who will strongly deny any ulterior motives in their market activities. Nevertheless, they admit that they are increasingly being forced to give "selective assistance" in areas where the competition is very severe.

Shell-Mex and BP, which supplies more than 13,000 U.K. petrol outlets, has now introduced a "limited support programme" which involves giving additional rebates of up to 2½p a gallon to certain of its dealers, although the company expects dealers to make an equal contribution, which means that they may have to cut as much as 5p a gallon from four-star petrol.

Esso, which supplies more than 7,000 sites, is running a similar support system on a month-to-month basis, and even groups such as Petrofina, which have in the past been strongly against any form of price cutting, now admit to being forced to give selective help.

The petrol companies claim that they are onl, protecting their dealers from aggressive cut-price marketing by a number of independent chains.

For example, ASDA, the Leeds-based hypermarket chain supplied by Mobil, is now offering four-star petrol at all its sites for 62p, and the effect of this move on local competition is said to be "devastating." Some rival groups have been forced to follow ASDA down.

A number of oil company executives are sharply critical of the fact that other major oil companies have broken ranks and started to engage openly in the price war, a process which is now having cumulative effects.

Continued from Page 1

South Africa devalues

trols. This was one of the conditions laid down by certain of South Africa's trading partners when they agreed the republic should be allowed to raise certain import tariffs previously bound by South Africa's "Gatt" concessions.

One of the immediate benefits of the devaluation will be a higher Rand price of gold which will protect profits and delay the closing down of otherwise marginal mines.

Government tax revenues will also be protected—a vital step in view of the large Exchequer deficit. Farmers will benefit, as will most mining enterprises. Hardest hit will be dealers in imported merchandise like television sets, cars and machinery. Overseas holidays are also expected to be cut back.

Finance Minister Mr. Owen Horwood said that the devaluation should also help to improve the balance of payments on current account by increasing the value of the nett gold output and merchandise exports and should keep imports below what they would otherwise have been. The action should have an immediate expansionary effect on export and gold mining incomes with favourable secondary effects on domestic economic activity.

Jones urges action on jobless

BY JOHN WYLES, LABOUR REPORTER

SENIOR UNION leaders will press Ministers to reveal details of the Government's plans to curb unemployment to a meeting to-day of the TUC-Labour Party liaison committee.

Following the publication last week of a 1.25m. unemployment total, Mr. Jack Jones, general secretary of the Transport and General Workers Union, said last night that he would be seeking details to-day of "'what policy the Government has got.'"

Indicating that he wanted the Government to reveal its plans in advance of next week's Labour Party conference, Mr. Jones said that measures were needed "as soon as possible" to curb a very serious situation.

But it remains to be seen how forthcoming Ministers at to-day's liaison committee meeting will be in view of statements made to the Manpower Services Commission last week by Mr. Denis Healey, the Chancellor of the Exchequer, and Mr. Michael Foot, the Employment Secretary.

They let it be known then that the Government wanted to wait until the end of October before deciding on limited schemes for boosting employment now under serious discussion. But the go-ahead is expected for a "job creation" programme, possibly costing around £20m. to provide some socially useful jobs in depressed areas.

This is unlikely to satisfy the unions whose growing restiveness on the issue was underlined by Mr. Jones in a speech to TGWU members in Paisley on Saturday.

Emphasising the contribution unions were making to the attack on inflation through their support for the £6 policy, Mr. Jones said that not enough was being done about unemployment which was a "monster" threatening to "drown our economy."

Meanwhile, Mr. Eric Heffer, the Labour MP for Walton and former Minister of State for Industry, yesterday called on next week's Labour Party conference to decide on a "bold policy" to attack unemployment. "Then let Labour supporters throughout Britain put pressure on the Government to ensure that the policy is fully carried out," he added.

Speaking in his constituency, Mr. Heffer went on: "It is quite clear that the Government must act decisively now. The Treasury must reverse its attitude to assisting firms in temporary trouble and must put people and jobs first."

Weather

U.K. TO-DAY

WARM in most places; cloud or rain in W. and N.

London, E. Anglia, Midlands, Channel I., S.E., Cent. S. England
Cloudy, mainly dry. Wind S.E., light. Max. 21C (70F).

Midlands, W., E. and Cent. N. England
Cloudy, some rain. Wind S.W., moderate. Max. 19C (66F).

S.W. England, S. Wales
Cloudy, coastal drizzle. Wind S.W., fresh. Max. 19C (66F).

N. Wales, Lakes, I. of Man, Borders, N.W., N.E. England, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland
Cloudy, some rain. Wind S. to S.W., fresh. Max. 16C (61F).

Moray Firth, N.E., N.W. Scotland
Rain. Bright intervals later. Wind S., strong. Max. 14C (57F).

Orkney and Shetland
Rain; brighter later. Wind S. to S.E., moderate. Max. 12C (54F).

Outlook for Tuesday and Wednesday: Some rain. Warmer in S.

Lighting-up times: London 19.31; Manchester 19.41; Glasgow 19.49; Belfast 21.31.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Alexandria	F	29	82	Madrid	S	25	77
Amstrdm.	S	18	64	Manchstr.	F	15	59
Athens	S	31	88	Melbourne	R	13	55
Barcelona	F	23	73	Mexico C.	S	20	68
Beirut	S	28	82	Milan	S	25	77
Belfast	C	14	57	Montreal	S	19	67
Belgrade	S	26	79	Moscow	S	20	68
Berlin	S	21	70	Munich	S	18	64
Birmghm.	F	16	61	Newcastle	S	15	59
Bristol	F	17	63	New York	R	22	71
Brussels	S	19	66	Oslo	F	14	57
Budapest	S	25	77	Paris	F	18	64
B. Aires	S	7	45	Perth	R	15	59
Cardiff	S	15	59	Prague	S	20	68
Cologne	D	16	61	Reykjavik	S	4	39
Copnhagn	S	17	63	Rome	F	26	79
Dublin	F	15	59	Stockholm	S	14	57
Edinb'gh	F	14	57	Strasb'rg	F	20	68
Frankfurt	F	19	66	Sydney	O	16	61
Geneva	S	18	66	Tel Aviv	F	27	81
Glasgow	F	14	57	Toronto	C	16	61
Helsinki	F	14	57	Vienna	S	22	72
Lisbon	S	26	79	Warsaw	C	18	64
London	F	19	66	Zurich	S	19	66
Luxembg.	C	15	59				

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	S	24	75	Jersey	F	17	63
Algiers	C	24	75	Las Plms.	F	25	77
Biarritz	F	20	68	Locarno	S	24	75
Blackpool	F	14	57	Luxor	S	37	99
Bordeaux	C	20	68	Majorca	F	26	79
Boulogne	S	16	61	Malaga	S	24	75
Casablnca.	S	23	73	Malta	S	27	81
Corfu	S	30	86	Naples	S	25	77
Dubrovnik	S	27	81	Nice	S	24	75
Faro	S	27	81	Nicosia	S	26	79
Florence	S	26	79	Oporto	S	29	84
Funchal	C	23	73	Rhodes	S	28	82
Gibraltar	F	21	70	Salzburg	C	19	66
Guernsey	S	19	66	Tangier	S	27	81
Innsbruck	S	23	73	Tenerife	F	25	77
Inverness	F	10	50	Tunis	S	26	79
I. of Man	F	14	57	Valencia	S	24	75
Istanbul	R	22	72	Venice	S	25	77

S—Sunny. F—Fair. D—Drizzle. C—Cloudy. R—Rain. O—Overcast.

BL Special Products chief looks to bigger profits in 1976

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

BRITISH LEYLAND'S Special Products division will make a profit of £8.4m. this financial year and show a "substantial" increase in the following 12 months, says Mr. David Abell, managing director.

Outlining his plans significantly to build up the Special Products group, Mr. Abell pointed out that with sales of £140m. and nearly 10,000 employees, it already ranked among the top dozen U.K. engineering companies—a fact obscured by BL's past emphasis on car production.

This financial year, the division will be the second most profitable part of BL. Only the bus and truck division will top its profits, struck before tax and interest.

Next year, Mr. Abell is confident that Special Products will be the most profitable part of BL. The profits will carry no tax liability, except for some overseas operations, and interest charges should be around £2m.

Mr. Abell commented: "Special Products is a collection of growth businesses which are profitable and, for the first time, the top management is spending some time on them. As a result, morale is very high."

Mr. Abell's plan is that within two years, Special Products will be split into a refrigeration division, based on the existing Prestcold business, a construction equipment division, based on Aveling Barford, a military vehicles division, based on Alvis, and a fork lift truck division based on Coventry Climax.

These businesses account for about 7 per cent. of BL's total sales but Mr. Abell maintains that the percentage will grow rapidly in the future.

The Ryder report on BL pointed out that some of the activities within Special Products had no natural link with the group's main activities and suggested "the right strategy for BL on the possible divestment of these activities should, at this stage, be a neutral one . . . We recommend a detailed investigation of the future of these companies."

However, Mr. Abell says Special Products is to be expanded quickly both from acquisitions and by expanding existing resources. He estimates that, in spite of a major expenditure programme, Special Products will require only around £2m. from the cash recently injected into BL.

Mr. Abell, on Friday, announced the second acquisition in a month for Special Products. This was the purchase from Carlton Industries for £585,000 cash of the Gardiner Refrigeration and Air Conditioning company which is based in Bristol and has had the Prestcold franchise for over 30 years. This means that Prestcold now controls sales of its own products throughout the U.K.

Mr. Abell said that "several millions" will be spent to expand Prestcold's plant at its 20-acre site at Theale by the end of 1976 in time to meet the expected upturn in world demand.

Prestcold does not make complete refrigeration units but only hermetic and semi-hermetic compressors and heat exchangers. It has a contracting business which buys in other components and carries out complete refrigeration installations. Customers include Sainsbury's, Marks and Spencer, Fine Fare and Harrods.

Earlier this month, BL paid £3m. for Marshall-Fowler, the crawler-tractor company, which is to be merged with Special Products' Aveling Barford business. Another £2.7m. will be spent to modernise the M-F factory at Gainsborough, Lincolnshire.

Mr. Abell maintains that this deal gave Aveling Barford immediate room to expand and to introduce a new product, a wheeled tractor shovel, by April next year. "The deal gave us freehold space at £1 a foot and 300 machine tools for only £300,000."

Cash will also be spent on the Alvis plant with the idea of maintaining production next year at nine units a week which would produce sales of £30m. of light, tracked, armoured fighting vehicles.

At Coventry Climax, Mr. Abell has revived expansion plans which should take production from 2,500 units to 5,000 units a year — "the size we need to be able to stay in the game."

Despite the economic downturn, Coventry Climax was still "a highly profitable business," with orders for six months ahead. The company was recruiting on the service side "because in the future we want all the service and spares business we can get."

Mr. Abell made it clear he intends to continue to push through acquisitions he believes are necessary for Special Products before the Stock Market recovers and prices rise above the current reasonable levels. The latest purchase, Gardiner, becomes effective on September 30 and will bring with it around £100,000 of pre-tax profit.

Terry Dodsworth writes: An early reply to criticisms contained in last month's Parliamentary report on the motor industry will be sought from the Department of Industry soon after Parliament reassembles.

Mr. Pat Duffy, chairman of the trade and industry sub-committee which produced the report, said yesterday that committee members would expect the Department of Industry to have briefed the Secretary of State (Mr. Varley) so he could answer MPs' questions. They would also be pressing for an early Commons debate.

The recent spending of British Leyland's Special Products division would be one of the questions under consideration, Mr. Duffy added.

The criticisms of the report mainly applied to the size and the monitoring of the large sums of money being injected into British Leyland.

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